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TO UNLOCK the book, raise cover to be unlocked to a vertical position, and pull rod out as far as it will come.

TO LOCK —Adjust the cover back into position so the notches in the cover fit over the posts, then push in rod.

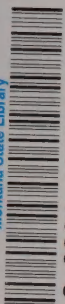
Do not attempt to unlock either cover unless opposite cover is locked, as posts should always be held in one of the covers.

TO LOCK BOOK PERMANENTLY—This is only to be done when all the sheets are written up and placed in the binder, for once permanently locked, it is impossible to unlock or open it.

For this purpose two permanent locking buttons are furnished. Insert these sealing buttons into the round holes near end of locking case so that the slot in the Sealing Button runs lengthwise with the binder. Then drive in button with sufficient force to turn the ends of split button. This permanently locks and seals the book.

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SEPTEMBER 14, 1957
TO
MARCH 16, 1968

RESOLUTION NO. 32

BE IT RESOLVED THAT, The First National Bank and Trust Company and The Union Bank and Trust Company of Helena, Montana, as designated depositaries of The Teachers' Retirement System and they are hereby requested, authorized and directed to honor checks, drafts or other orders for the payment of money drawn in this State Department's name, including those payable to the individual order of any person or persons whose name or names appear thereon as a signer or signers thereof, when bearing or purporting to bear the facsimile signature(s) of any two of the following:

John L. Savage
John L. Savage

Geo H Hayes
George H. Hayes

J. L. Gleason
J. L. Gleason

Anna L. Fulton
Anna L. Fulton

Harriet E. Miller
Harriet E. Miller

and the First National Bank and Trust Company and the Union Bank and Trust Company of Helena shall be entitled to honor and to charge this State Department for such checks, drafts or other orders, regardless of by whom or by what means the actual or purported facsimile signature or signatures thereon may have been affixed thereto, if such signature or signatures resemble the facsimile specimens duly certified to or filed with the First National Bank and Trust Company and the Union Bank & Trust Company of Helena, Montana, by the Secretary or other officer of The Teachers' Retirement System.

John L. Savage
John L. Savage

Geo H Hayes
George H. Hayes

J. L. Gleason
J. L. Gleason

Anna L. Fulton
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Harriet E. Miller
Harriet E. Miller

RETIREMENT BOARD MEETING

September 14, 1957

The meeting was called to order at 1:30 p.m. by the Chairman, Mr. John L. Savage. In attendance were members, Mr. J. L. Gleason, Miss Harriet Miller and Mr. George Hayes. Mr. Young, the Actuary and Mr. McKinny, the Executive Secretary were also present. The Board noted the absence of Mrs. Fulton who was ill and also extended a welcome to Mr. Hayes who was attending his first Board meeting.

The minutes of the June 1, 1957, meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Miss Miller.

The Executive Secretary presented his report of the activities in the office during the past quarter. Miss Miller moved the report be put into the record. Mr. Hayes seconded the motion which was approved.

Following a discussion of the Bank Examiner's Report, the Board noted an error in the audit regarding the interest earnings.

The Board then considered the business carried over from the last meeting. The Board had requested Mr. McKinny to contact the Attorney General's office for an opinion regarding the legality of collecting employer contribution from districts employing teachers over seventy years of age. The Attorney General ruled it was not legal.

Mr. Gleason moved the adoption of Resolution number 32 to permit the First National Bank & Trust Company of Helena and the Union Bank & Trust Company of Helena to honor checks bearing the facsimile signatures of any two of the present members of the Teachers' Retirement Board. Miss Miller seconded the motion which was approved.

Following a discussion of the mortgage market, Mr. Gleason moved the purchase of the offerings from the Daly Bank of Anaconda and the Union Bank of Helena, subject to the approval of the Finance Committee. Miss Miller seconded the motion which was approved.

The Board next considered the transfer of dormant annuity savings accounts to the Pension Fund. Mr. McKinny reported that no contributions had been received on behalf of any of the accounts since July 1, 1947, and that if any of the persons whose account had been transferred to the Pension Accumulation Fund desired a refund, they would still be legally entitled to the refund. Miss Miller moved the approval of the transfer of the following accounts and Mr. Hayes seconded the motion which was approved:

Andrews, Mrs. Margaret	\$	16.54	Lindsley, Marjorie Mae	\$	36.11
Ashley, Mare E.		12.45	Nash, Mrs. Florence		44.99
Becker, Mrs. Delma M.		33.34	Norgard, Olga Thompson		40.41
Brickman, Ruth		6.37	Palmer, Patricia K.		101.07
Clay, Mrs. Virginia		37.31	Pannett, Murrall Alwin		94.54
Drain, Evelyn		5.32	Park, Betty		6.69
Fong, Florence Wen Chuan		13.09	Poppe, Mrs. Richard		19.65
Greene, Shirley Mae		23.47	Qualleym, Violet J.		200.54
Holzhey, Mrs. Donna		145.75	Schultz, Willard Donald		29.44
Kast, Arlette Evelyn		44.54	Smith, Patricia		34.85
Keck, Mildred		46.24	Williams, Warrant C.		56.99
Larkin, Jean		14.90	Winkle, Nell (Miss A.L.)		30.43
			<u>Total</u>		<u>1,095.03</u>

The Board next considered a request by Mr. Oliver Campbell, a retired teacher, to be permitted to teach, without loss of retirement salary, a course requiring 3 hours per week for 10 weeks. After a lengthy discussion concerning the employment of retired teachers as substitutes, Mr. Hayes moved that any retired teacher be permitted to teach in Montana up to 240 hours during a school term without loss of retirement benefit and that no employee or employer contribution would be due on his behalf. Miss Miller seconded the motion which was unanimously approved.

The following applications for disability were given unanimous approval on a motion by Miss Miller and a second by Mr. Hayes:

1. Hilaire Geary	Powell	\$ 85.82	April, 1957
2. Alice Coleman	Mineral	69.23	May, 1956

Tillie Wruck's application for survivor's benefit was approved and Janice Dirks was also given permission for a survivor's benefit, if she so chose, on a motion by Miss Miller and a second by Mr. Gleason.

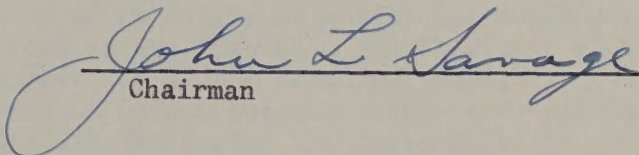
The following applications for retirement benefit were approved on a motion by Miss Miller and a second by Mr. Gleason:

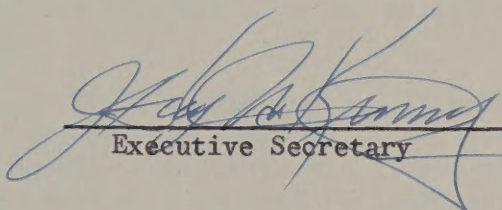
1. Catherine White	University	\$ 237.86
2. Nettie Connell	St. Dept.	72.13
3. Mary Papez	Deer Lodge	
4. Ernest Robinsen	Fergus	
5. Jean Thomson	Rosebud	
6. Payne Templeton	Vested Right	88.42
7. Lila Johnson	Richland	
8. Sarah Whitney	Powell	

The following interim applications for retirement benefit were approved on a motion by Mr. Hayes and a second by Mr. Gleason:

1.	Jessie Murphy	Lake	\$ 60.59	
2.	Susie Huston	Garfield	61.90	
3.	Elsie Wilberg	Sheridan	41.86	Option #2
4.	Florence Smith	University	173.55	
5.	Edna Strand	Musselshell	112.76	
6.	Grace Wood	Carbon	41.69	
7.	Mary Hanratty	North Mont. College	144.05	
8.	Annie Parsons	Stillwater	53.58	
9.	Margaret Quigley	Silver Bow	195.10	
10.	Kathryn Jones	Missoula	185.63	

The next Board Meeting was set for 1:30 p.m., Saturday, December 14, and the meeting adjourned at 3:45 p.m. on a motion by Mr. Gleason and a second by Mr. Hayes.


Chairman


Executive Secretary

Executive Secretary's Report

September 14, 1957

To the first of August we added 57 annuitants to the retirement rolls--50 women and 7 men. Forty-seven chose straight life, eight selected one of the options and two were disability cases.

The average age of those who retired was 65.8--the highest in several years. The average number of years taught was 29.8 and the average salary, with our \$5,000 salary ceiling, was only \$3,907. The average check for this group was \$126.53 and the average check for those with 35 years was \$175.79. The over-all average retirement and disability check at the end of July was \$88.94; the straight-life average was \$89.08; the options \$106.06 and the disability \$65.52.

We have completed our change in the filing system and it is proving very satisfactory. I feel that this change, together with the changing of the payroll to an IBM process, has saved us hiring an additional employee. We have had additional work placed on us, however. The Treasurer's office now refuses to collect the interest due on our Municipal Bonds so we have to do our own coupon clipping and of course keep the necessary records. Mr. Casey said, that as custodian of the Bonds, his responsibility was only to store them and not to collect the interest. He has passed similar collection duties on to other offices.

After twenty years we have had our first forged check. It belonged to Cornelia Walvoord and it was a very obvious forgery. We cannot lose money on the forgery nor can Miss Walvoord. The person who first accepted the check takes the loss. Before I could send it back for payment I had to get a certified statement from Miss Walvoord that she didn't sign the check. As yet we haven't received notification of payment from the bank but I feel it will be paid any day.

During the past quarter we did a large amount of investing in Municipal Bonds. In addition to investing our income we also redeemed some of the lower yielding Governments to take advantage of the high yield in Municipals. We have purchased the following:

		<u>Coupon</u>	<u>To Yield to Option</u>
\$ 20,000.00	Fergus Co. H. S.	4.50	4.02 - 1962
26,000.00	City of Havre Water Bonds	4 3/4	4.00 - 1962
185,000.00	Columbia Falls H. S.	4.3	3.8 - 1967
7,000.00	Fergus Co. Sch. Dist. #1	4 1/2	4.1 - 1967
167,000.00	Silver Bow Sch. Dist. #1	4 1/4	4.1-2 1967
30,000.00	Yellowstone S. D. #26	4 1/2	4.00 - 1967
73,500.00	Chinook Water Bonds	4 3/4	4.00 - 1962
107,200.00	Hill County Dist. #16	4 1/4	3.88 - 1967
75,000.00	Silver Bow Co. Hospital	3.6	3.65 - 1962
10,000.00	Fallan Co. Dist. #12	4 1/4	3.8 - 1967
100,000.00	Columbia Falls Dist. #6	4.3	3.8 - 1967

Long-term Government Bonds are now yielding 3.56.

Since the last meeting the big tasks in the office have been the closing of the fiscal year, the addition of the new retired teachers and the paying of the many refunds. Since the first of June we have refunded \$325,000 in teacher's accounts on 840 withdrawals, the average check being just under \$400. The teachers' lists for this year are now arriving from the county superintendents and we are beginning our big task of changing our trays. This will take us to the middle of November.

Harry and I will be at four of the up-coming MEA Conventions and I also plan a trip through the western part of the state this fall.

RETIREMENT BOARD MEETING

December 14, 1957

The meeting was called to order at 1:20 p.m. by Mr. Savage, the Chairman. In attendance were Mr. Gleason and Mr. Hayes--also the Actuary, Mr. Young and the Executive Secretary, Mr. McKinny.

The minutes of the September 14th meeting, having been examined previous to the meeting, were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

At this point the Board invited Mr. William Andrews, Vice President of the Union Bank & Trust Co., and Mr. William Lawrence, manager of the Retail Lumbermen's Association, to appear before them to hear their proposal on mortgage offerings. They explained their operations and their connections with each other. They reported they had no trouble finding buyers for paper in the five larger towns in Montana but that it was difficult to sell paper from the smaller towns in the state. It was their desire to have an annual advance commitment to purchase loans in smaller towns subject to approval and any restrictions the Board might desire. After the departure of the representatives, the Board discussed the proposal but did not reach any decision and postponed any action until a later date.

Mr. Wallace Streeter of Streeter Bros. of Billings then spoke to the Board reviewing the past history and operation of their Agency. He also gave the Board a forecast of the Agency's future aims and expressed hope that they could continue to sell mortgage paper to the System.

After Mr. Streeter's departure, the Secretary then read his Report and reviewed the November 30th Financial Statement. Mr. Gleason moved the Report be put on file and Mr. Hays seconded. The motion was approved.

The approximate monthly payrolls for retirement and office for the next quarter were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

With the interest earnings and the interest forecast for the System having been reviewed at the last meeting, Mr. Hayes moved for the continuance of Resolution #32 which set the interest rate on the Annuity Savings Fund at 3 per cent. Mr. Gleason seconded the motion which was approved.

Mr. McKinny's request to attend and to drive to the National Council on Teacher Retirement Convention in San Francisco, March 6-8, was next considered by the Board. Mr. Gleason moved that permission be granted and Mr. Hayes seconded the motion which was approved.

The Board next discussed the possibility of having an investigation of the need for an increase in retirement benefits for those retirees who retired prior to

July 1, 1949, under a salary ceiling of \$2,000. Since there has been interest along this line by other groups, as noted in the Executive Secretary's Report, the Board felt it should be informed on such a need and on a motion by Mr. Gleason and a second by Mr. Hayes the Board approved the expenditure of approximately \$700 for the investigation of the financial need of those teachers retired before 1949.

Mr. Gleason moved that the offerings for mortgage paper submitted by the different agencies be purchased at the present market value on approval by the Finance Committee. Mr. Hayes seconded the motion which was approved.

On a motion by Mr. Hayes and a second by Mr. Gleason the following interim retirement benefits were approved:

1. Huldah Fossum	Cascade	\$ 193.27
2. Pearl Scovil	Cascade	144.78
3. Gretchen Utterback	Valley	128.63
4. Jessie Murphey	Lake	60.68

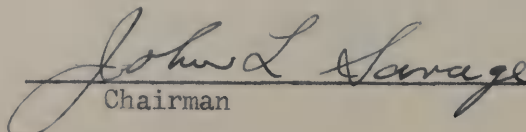
Mr. Gleason moved that Mr. Leonard Whitney's application for disability be approved and that the approval of Bonna Olsen's application be delayed until the next meeting because of lack of complete medical information. Mr. Hayes seconded the motion which was approved.

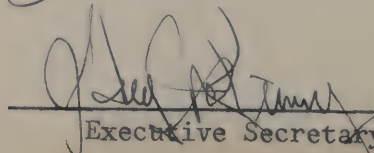
Mr. Gleason then moved the approval of Jane Crowder's application for survivor's benefit subject to the calculation of the actuary. Mr. Hayes seconded and the motion was approved.

Mr. Hayes moved the approval of the following applications for retirement benefit subject to the calculation by the actuary. Mr. Gleason seconded and the motion was approved.

1. Floyd Connor	Vested Right	\$ 79.07
2. Nell Hyland	Silver Bow	219.60
3. Agnes Wiggenhorn	State College	
4. Nellie Castleman	Vested Right	35.37
5. Hester Bunting	Unclassified	
6. Elizabeth Bingham	Unclassified	
7. Rachel Hancock	Unclassified	
8. Florence Stevens	Unclassified	
9. Goldie McMenomy	Unclassified	
10. Clara Thorson	Unclassified	
11. Dr. Robert C. Line	State University	

The next Board Meeting was set for 1:30 p.m., March 22, 1958, and the meeting adjourned at 3:30 p.m. on proper motion and second.


Chairman


Executive Secretary

Executive Secretary's Report

December 14, 1957

Dr. Walter Ames called on me representing the Western Montana Chapter of the National Retired Teachers' Association. It is their contention that benefits should be increased some way for those teachers who retired prior to July 1, 1949, when the System still had a salary ceiling of \$2,000. They seem to feel that there is a real need for this but are without any real means of knowing the true facts. He requested names and addresses of those teachers and of course I had to refuse the information.

Work this past quarter has progressed more rapidly than in the past. We had our account files all changed over and were up to date on our posting by the first of November. In the past, our goal has been the first of December. I attribute this to experienced help and our line indexes.

The National Council on Teacher Retirement meets this year in San Francisco on March 6-8. In the agenda I have requested permission to attend this meeting. This is the first time, to my knowledge, that the meeting has been held in the west. Because train connections are so bad I'm going to request permission to drive my own car.

Mr. Spraycar and I attended three of the MEA Conventions this fall. I elected not to attend the Glasgow meeting as the weather conditions in Miles City that night were so bad I decided not to risk it. Harry attended the Missoula and Bozeman Conventions. I also spoke on retirement at the recent Agriculture Conference in Bozeman.

Investments this past quarter consist of the following:

VA & FHA Mortgages

Montana Bank, Great Falls	\$ 33,924.44 @ 93
Union Bank & Trust Co., Helena	212,453.66 @ 93

Municipals

Browning H. S. Bonds	\$ 32,500.00 @ 4.05-4.20
Gallatin Co. H. S. Building Bonds	50,000.00 @ 4.00-4.15
Valley County, Dist. #1 Bonds	27,500.00 @ 3.85-4.00

With the easing of credit restrictions by the Federal Reserve System, the Bond market has strengthened considerable and of course the interest rates are beginning to fall on municipals. I doubt that we will be able to buy any that will net us over 4 per cent again in the near future. Long-term governments, which yielded 3.56 three months ago, now yield 3.24 which is

quite a drop.

Our percentages in investments the 1st of December were:

Mortgages	39.4%
U. S. Treasurys	38.1%
Municipals	22.5%

RETIREMENT BOARD MEETING

March 22, 1958

The meeting was called to order at 1:30 p.m. by the Chairman, Mr. John L. Savage. In attendance were board members, Mr. J. L. Gleason, Mr. George Hayes, the Actuary--Mr. Floyd Young and the Executive Secretary--Mr. J. Hugh McKinny. Mr. Hayes reported that Miss Miller was attending another meeting that had exceeded its time limit and would at least be one or two hours late. Mr. Savage reported that Mrs. Fulton was still in the hospital following surgery and would not be able to attend. The Board expressed their sympathy for Mrs. Fulton and hoped she would soon recover.

The Executive Secretary reported on the work progress for the last quarter and reported on the monthly Financial Statement and also reported on the National Council on Teacher Retirement Convention in San Francisco. The reports were placed on record on a motion by Mr. Hayes and seconded by Mr. Gleason.

The second quarter retirement and office payrolls were approved on a motion by Mr. Hayes and a second by Mr. Gleason.

The Board next considered the proposed removal of the salary ceiling at the next legislative session. Mr. Hayes moved that the Secretary and the Actuary, along with legal council, prepare a bill for removal of the salary ceiling with the retroactive provision to permit those teachers retiring to use their full salary and to reduce the number of years in forming the average salary from the present five (5) to three (3), for consideration at the next meeting. Mr. Gleason seconded the motion which was approved.

Following a discussion on taxation of retirement income, Mr. Gleason moved that the Secretary ask the Attorney General's office for an opinion as to whether our present law needed amending to exempt the retirement income from income tax in Montana. Mr. Hayes seconded the motion which was approved.

Mr. McKinny reported on the progress of the special investigation into the welfare of those annuitants receiving less than \$100 per month. The company could not give the System a special volume price and Mr. McKinny wished to know if the Board wished to proceed on the new cost basis. After considerable discussion, Mr. Gleason moved that the investigation should continue and cover all those teachers receiving less than \$100 per month in order to get a better idea of need. Mr. Hayes seconded the motion which was approved.

The Board then considered the request of Marguerite McDonald to transfer her account and service record to PERS as she was no longer teaching and was now working in a position covered by PERS. Mr. Hayes moved the transfer be made and Mr. Gleason seconded the motion which was approved.

Helen Stanton's request for transfer to PERS was next discussed. Mrs. Stanton had ceased teaching to take a position covered by PERS and withdrew in August, 1957, to purchase additional credit in PERS without knowing the reciprocity provisions of the law. Mr. Gleason moved that since it was partially the System's fault in not explaining fully her rights, that the transfer be permitted. Mr. Hayes seconded and the motion carried.

Mr. McKinny was instructed to inform Mrs. McMenomy that the law does not permit the payment of retirement benefits to persons before the signed application has been received and approved by the Board so her request for such back payments could not be approved.

At this point Mr. Savage reported that his appointment to the Board would expire this July 1, 1958, and that if her were reappointed, he doubted if he would be able to continue through the full term as he anticipated retirement before that date. Following a discussion, Mr. Gleason moved that the Secretary be instructed to write the Governor urgin ght reappointment of Mr. Savage in order to continue the continuity of the Board for the benefit of the Teachers' Retirement System. Mr. Hayes seconded the motion which was approved.

Mr. Gleason moved that the Investment Committee invest available funds in the desired mortgages offered and the balance in Government or Municipal Bonds available, subject to the approval of the Board. Mr. Hayes seconded the motion which was approved.

The Board next considered the requests of The First West Side National Bank of Great Falls, the Security State Bank of Polson, The Security Bank & Trust Co. of Bozeman and The First National Bank in Bozeman for Servicing Agreements to sell the System mortgages. Mr. Gleason moved that the Secretary proceed to secure the proper signatures. Mr. Hayes seconded the motion which was approved.

Mr. Gleason then moved the approval of the following applications for interim retirement benefits. Mr. Hayes seconded the motion.

1.	Sylvia Haight	State Dept.	\$ 77.64
2.	Agatha Kelly	Silver Bow	198.90
3.	Ceceil K. McGraw	Vested Right	51.29

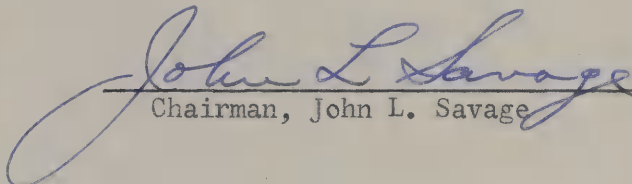
Mr. Hayes moved the approval of the following applications for retirement benefit and Mr. Gleason seconded:

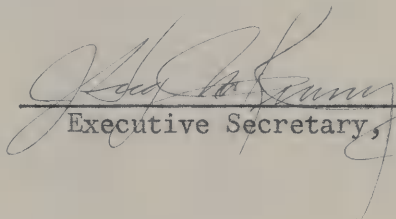
1.	Eulalie Winter	Vested Right	\$ 35.97	
2.	Lois Johnson	Vested Right	76.02	Option #2
3.	Marjorie Stevenson	Vested Right	170.10	
4.	Mary Leh	Lewis & Clark	175.99	Option #2
5.	Agnes Sullivan	Silver Bow	188.95	

The motions for applications for retirement benefits were unanimously approved.

The next Board Meeting was set for Saturday morning at 10:00 o'clock, June 7, 1958.

The meeting adjourned at 3:30 p.m. on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT

March 22, 1958

I thoroughly enjoyed my trip to San Francisco. It was my first visit. Even though I enjoyed the city, I can't help but express the beauty of the farm land north of the Bay area--an artist's conception in real life.

I was out of the office quite a bit this past quarter. In addition to San Francisco I spent a week in Missoula doing estimates for the University faculty and a week in Bozeman doing estimates in the city schools. I also addressed a meeting of the Cascade rural MEA Locals in Great Falls.

We have sent out notices to 21 teachers informing them they have reached the compulsory retirement age and are no longer eligible for employment. Of the group, only six will not be eligible for retirement benefit because of lack of service.

During January we placed 28 teachers in Vested Right. These teachers had more than 10 years of service and had not taught since July 1, 1956. I wrote to each of them and informed them of their rights before the transfer was made.

Also, during January we attempted to contact all those teachers who had not taught for the last 5 years and who had less than 10 years of service in an effort to have them withdraw their funds. In doing so, we reduced our dormant accounts from 292 to 213 by the 1st of March.

The interest calculations for the saving's accounts have now been made and are ready for posting at the end of the fiscal year.

During the past quarter our funds have been invested as follows:

Mortgages

Union Bank & Trust Co., Helena	\$ 207,569.42
Daly Bank, Anaconda	40,314.79
Streeter Bros., Billings	105,801.27
Montana Bank, Great Falls	139,588.43

Municipals

Gallatin Co., Dist. #7	\$ 50,000.00	4.07 - 4.14
Valley Co., Dist. #1	40,000.00	3.85 - 4.18
Dodson Sewer Bonds	31,200.00	4.10 - 4.45
Yellowstone Co., Dist. #41	22,000.00	3.6 - 3.8

With the government's anti-recession measures, interest rates have fallen

rapidly. The last offering in Municipals yielded but 3.15. Long-term Governments are below 3.25. The outlook in investments for the remainder of 1958 is not too good from our standpoint. The discount rate in mortgages is also falling and by the end of the summer it will be close to par. We have almost been taken out of the mortgage market this quarter because the high discount rates of last year have now caused a shortage in good 5 & $5\frac{1}{4}$ FHA's. The building industry is on the way up now however.

Our percentages as of March 1, 1958 were:

Government Bonds	$36\frac{1}{2}\%$
FHA & VA Mortgages	$40\frac{1}{2}\%$
Municipal Bonds	23 %

Convention,

National Council on Teacher Retirement
March 6-8, 1958

This Convention was better attended than others have been. I think this was because of it being held in the West and in an off-legislative year. It is hoped they will be able to change their meeting date to escape the conflict with the legislative sessions. Because of the present date the Council has been losing attendance to the Municipal Finance Officers' Association which meets in early June and the Southern Conference on Teachers' Retirement which meets in October. At present they hope to meet with the general NEA Convention in late June and early July. That, of course, conflicts with the end of the fiscal year.

I was somewhat disappointed in the Convention this year as it turned out to be more of a progress report than a source of ideas.

The first general session was devoted mostly to welcoming speeches followed by an outlining of the Basic Principles and Philosophy of the NCTR. In this session we were also addressed by the President of the National Retired Teachers' Association of the NEA. She assured all the secretaries that the names and addresses of the retired teachers would be confidential if we would furnish them. I feel, however, that mailing their literature once or twice a year is sufficient.

Friday morning's session was devoted to changes in various Systems in regard to death and survivorship benefits. Also, Mr. Lillywhite of the Wisconsin System reported on their variable annuity program. In this program a part of the teachers' contributions is invested in common stock on the theory that in times of inflation the market is high thus paying greater benefits to the teacher and in time of deflation the extra income is not needed. It is a fine idea up to the point of having to reduce the benefit.

The afternoon session was devoted to addresses by actuaries. The one speech I wanted to hear was not given because the speaker was ill but it will be written up in the proceedings. Mr. Carroll Nelson compared benefits of industrial and public retirement plans. In brief, teachers receive higher benefits while industrial employers seem to sacrifice retirement benefits for fringe benefits in working conditions.

Saturday morning was devoted to Investments. The Systems are still amending their laws to enable more liberal investment programs as the percentages increase yearly.

I have been appointed Chairman of the Membership Committee for next year. This past year I was Chairman of the Credentials Committee.

RESOLUTION NO. 33

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George H. Hayes

J. L. Gleason
J. L. Gleason

Christine Jasper
Christine Jasper

Harriet E. Miller
Harriet E. Miller

H.S.
7-22-58

RETIREMENT BOARD MEETING

June 7, 1958

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. John Savage. In attendance, in addition to Mr. Savage, were Board members Mr. George Hayes, Mr. J. L. Gleason and Mrs. Christine Jasper; the Actuary, Mr. Floyd E. Young and the Executive Secretary, Mr. J. Hugh McKinny.

The minutes, having been examined by the members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary presented his report on the activities of the office in the past quarter and it was placed in record following a motion by Mr. Hayes and a second by Mr. Gleason.

The Financial Statement ~~was~~ also approved following a motion by Mr. Gleason and a second by Mr. Hayes.

Mr. Gleason moved the approval of the following approximate payrolls for the months of July, August and September,

Pension	\$ 75,125.00
Office	2,500.00

these amounts to be subject to additions authorized later in the meeting. Mr. Hayes seconded the motion which was unanimously approved.

The Board next discussed the items held over from past meetings, starting first with the investigation of the financial needs of retired teachers. Since the investigation showed no general need for increasing the retirement benefits of those older retired teachers, no action would be taken at this time. It was felt that this information was highly enlightening and that possibly the legislature might be able to use it in the future.

On the matter of the retirement benefit being exempt from state income tax, the Executive Secretary's Report showed that the Attorney General in his official opinion number 52 ruled the income tax-free. Mr. McKinny also reported the Board of Equalization refused to honor a request for a refund under this opinion and would consider the income taxable. Both the Board of Equalization and the Attorney General's office felt that a bill should be introduced in the legislature to clarify the matter and at the present time the Board of Equalization was considering introducing such a bill. The Board felt that no action ~~was~~ necessary at this meeting and that the Secretary should inform the teachers of the Attorney General's opinion.

The Board next considered Mr. A. L. Dean's request for a ruling on using

service covered by PERS as teaching credit for purchasing out-of-state service. After considerable discussion the Secretary was instructed to study the law further and clarify the portion regarding out-of-state service. In the course of the discussion it was discovered that it might be possible that the System was giving credit for out-of-state service when a teacher was already receiving credit for it in the original state. Mr. Gleason then moved that the Secretary correspond with the Secretary of the other Retirement System to determine if the teacher is qualified to receive benefits for the same service in the original state and to take every precaution necessary to see that we do not violate our law by also giving credit for the same service. Mrs. Jasper seconded the motion which was unanimously approved.

The Board next discussed the Secretary's request for the purchase of the following equipment:

10	Transfer Cases		Tribune Supply Co.	\$ 90.00
2	Five-Drawer Super Filer		Naegesles	285.00
1	Underwood Electric Typewriter	\$ 425.00		
	less trade-in	<u>150.00</u>		275.00
1	Underwood Standard Typewriter			
		215.00		
	less trade-in	<u>35.00</u>		
				180.00

Mrs. Jasper moved the purchase of the equipment. Mr. Gleason seconded the motion which was approved.

The mortgage offerings from the different agencies were next considered. Mr. Gleason moved that the Finance Committee be authorized to examine the offerings and purchase those mortgages which they consider desirable. Mr. Hayes seconded the motion which was approved.

The Secretary submitted the following list of accounts that has been inactive for ten years:

1.	Bryant, Miss LaHoma ElDora	\$ 37.25
2.	Burroughs, Mrs. Guy (Ruth Anderson)	63.43
3.	Calvert, Mrs. Irene E. Hawes	54.10
4.	Doornbos, Christine H.	62.43
5.	Hamilton, Mrs. Frances B.	76.16
6.	Holtermann, Rudolph John	144.52
7.	Kjelland, Valeria	108.92
8.	Lawhead, Rosabel Emma	86.00
9.	Lindenfield, Miss Flora	45.05
10.	Shelby, Jack Frederick (John)	43.07
11.	Vaught, Alma M.	<u>434.50</u>
		\$ 1,155.43

It was moved by Mr. Gleason and seconded by Mr. Hayes that these accounts be transferred to PAF. The motion was adopted.

The Board temporarily tabled the Budget Estimate for 1958-59 to consider the Secretary's request for the following salary increases for the staff:

Mr. Spraycar	437.50	to	\$ 458.33
Mrs. Lee	275.00	to	285.00
Miss McKenna	300.00	to	310.00
Mrs. Wilcox	283.33	to	293.33
Mrs. Morris	170.00	to	175.00

Mr. Hayes moved the approval. Mr. Gleason seconded the motion which was approved. Mr. Gleason then moved the Secretary's salary be increased from \$7,000 to \$7,200. Mr. Hayes seconded the motion which was also approved.

Mr. Gleason then moved the approval of the following estimated 1958-59 Budget and to increase the budget to include the salary adjustments just approved--an increase of approximately \$911. Mr. Jasper seconded the motion which was unanimously approved.

	<u>Budget</u> <u>1957-58</u>	<u>Actual</u>	<u>Budget</u> <u>1958-59</u>
Salaries	\$ 30,290.00	\$ 30,397.00	\$ 30,290.00
PERS	1,560.00	1,400.00	1,500.00
Postage	1,000.00	1,045.00	1,100.00
Maintenance	1,200.00	1,375.00	1,300.00
Board	725.00	605.02	725.00
Rent	1,026.00	1,026.00	1,026.00
Travel	1,200.00	1,100.00	1,200.00
Supplies	<u>1,500.00</u>	<u>1,985.00</u>	<u>1,500.00</u>
	\$ 38,501.00	\$ 38,933.02	\$ 38,641.00

The Secretary requested that he be authorized to solicit permission from the Board of the Historical Library to destroy remittance sheets received for the school year 1947-48. Mrs. Jasper moved that permission be granted and Mr. Hayes seconded the motion which was approved.

The Secretary requested that he be authorized to solicit permission from the Board of the Historical Library to destroy remittance sheets received for the school year 1947-48. Mrs. Jasper moved that permission be granted and Mr. Hayes seconded the motion which was approved.

After the examination of Ethel Gordon's application for disability, Mr. Gleason moved the approval of the application. Mr. Hayes seconded the motion and the application was approved.

Mr. Gleason then moved the approval of the following applications for survivor's benefits:

survivor's benefits:		<u>Years</u>	<u>Average sal.</u>	<u>Benefits</u>	
1.	Joe Lucier	Vested Right	14	\$ 2,515.00	16.14
2.	R. J. Flightner	Ravalli	28	4,496.00	43.64
3.	Howard Goard	Custer	37½	4,822.00	incomplete
4.	Jennie Gertenson	Roosevelt	27	incomplete	

Since those of Mrs. Goard and Miss Gertensen were incomplete they would be subject to the approval of the Actuary. Mr. Hayes seconded the motion which was approved.

The following complete applications for retirement benefit were approved on a motion by Mr. Hayes and a second by Mr. Gleason:

	<u>County</u>	<u>Average salary</u>	<u>Age</u>	<u>Years</u>	<u>Benefit</u>
Bingham, Elizabeth	Vested Right	3,250.00	60	36	122.14
Bischoff, Paul A.	University	5,000.00	66	29 2/3	99.06 Opt. #3
Coughlin, Ebba F.	Valley	3,478.00	70	12	38.98
Decker, Nellie N.	Beaverhead	3,220.00	70	18	54.82
Dinehart, Pearl	Ravalli	3,643.00	65	22	76.27
Forbes, Margaret M.	Big Horn	4,471.00	63	11	36.59 Opt. #3
Ford, Nina	Lake	4,757.00	64	35	185.74
Graff, Fred W.	Yellowstone	5,000.00	70	36	122.80 Opt. #3
Hardy, Ida F.	Flathead	2,538.00	62	17	43.63
Kelly, Frances	Silver Bow	4,584.00	70	39	206.72 Opt. #2
Lindberg, Clara H.	Park	2,903.00	60	35 7/9	101.05
MacLeod, Lillie A.	Big Horn	4,279.00	63	32 1/2	132.25
Nelson, Ella	Cascade	5,000.00	70	35	189.42 Opt. #2
Noll, Frank M.	Daniels	4,388.00	67	26	123.84
Perry, C. B.	Cascade	5,000.00	67	37 1/2	180.36 Opt. #5
Peterson, Dr. Azel G.	Eastern Normal	5,000.00	60	26 1/2	104.20
Puppe, Eva A.	Yellowstone	3,510.00	62	24 1/3	74.31
Quigley, Mary L.	Silver Bow	5,000.00	70	39 1/3	232.87
Robinson, Fred O.	Lewis & Clark	4,923.00	70	41	245.15
Stevenson, Marjorie	Vested Right	4,940.00	60	35	170.10
Tuxbury, Lucille H.	Missoula	3,170.00	66	25	79.74
Ugland, Bertha I.	Powell	3,775.00	62	16	55.49
Wendt, Emilie A.	Ravalli	3,843.00	66	35	147.01
Baker, Mary	Pondera	3,940.00	65	38	160.33
Hobensack, Hazel	Cascade	3,340.00	60	32 2/3	109.56 Opt. #2
Kerwin, Susan	Cascade	3,060.00	68	31	99.66
Kuhnes, Katherine	Chouteau	3,483.00	68	32 1/2	120.33
Panchot, Ida	Hill	3,568.00	70	35	126.66 Opt. #2
Root, Cornelia	Cascade	4,500.00	60	29 1/3	118.12
Thomson, Jean	Missoula	4,656.00	61	39	181.44
Williams, Marie	Yellowstone	4,916.00	65	39	207.84
Benham, Nell	Powell	3,128.00	67	20	53.35
Hutzel, Ida	Meagher	2,619.00	60	16	44.30
Brurud, Tonie	Cascade	3,273.00	70	17	44.11
Aamoth, O. A.	Cascade	5,000.00	66	35	181.07
Bonnell, Fern	Powell	3,272.00	63	36 1/2	124.68
Campbell, Frieda	Carbon	2,888.00	63	25	75.72
Miller, Edna	Richland	3,094.00	60	24	77.08
Potter, Ida	Vested Right	3,060.00	60	28 1/3	80.65
Sennett, Helen	Silver Bow	4,369.00	69	42	208.37
Shipstead, Alma	Daniels	2,932.00	65	34	99.28

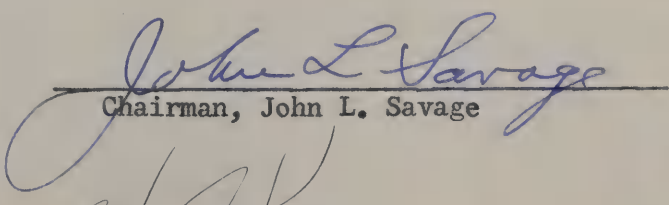
The following incomplete applications were also approved on completion and approval by the Actuary, on a motion by Mr. Hayes and a second by Mr. Gleason:

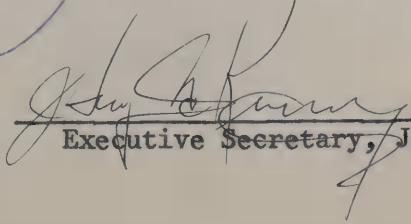
	<u>County</u>	<u>Age</u>	<u>Years</u>	
Warden, Mary	Yellowstone	66	23 $\frac{1}{2}$	
Huston, Susie	Garfield	68	26	
Lamer, Mae Ford	Silver Bow	65	38	
Laird, Helen	Silver Bow	67	43	
Thompson, Jessie	Pondera	63	19	
Kraft, Alice	Yellowstone	66	10	
Baldwin, Elsie	Yellowstone	63	35	
Beaudoin, Ella	Toole	70	13 $\frac{1}{2}$	
Bunting, Katherine	Yellowstone	60	26	
Crumpacker, Ruth	Richland	62	35 $\frac{1}{2}$	
Donahue, Anna V.	Fergus	67	40	
Gregory, Annie L.	Phillips		15	
Hansen, Helen Cothron	Yellowstone	64	29	
Harris, Helen	Missoula	69	22 $\frac{1}{2}$	
Hatfield, R. H.	Musselshell	69	25 $\frac{1}{2}$	
Maybee, Mona Grogan	Fergus	66	35	\$3,495.00 av. sal.
Mackenstadt, Bertha	Chouteau	61	15 $\frac{1}{2}$	
Nelson, Minnie Ray	Blaine	70	17 $\frac{1}{2}$	
Skotland, Arline	Glacier	66	35	
Stevens, Florence	Lincoln	68	15 $\frac{1}{2}$	
Suchy, John F.	University	70	35	\$5,000.00 av. sal.
Thorsen, Clara M.	Cascade	64	35	
Yarick, Rhoda E.	Teton	70	11	\$3,892.00 av. sal.

The organization of the Board for 1957-58 was next on the agenda. Mr. Hayes renominated Mr. Savage as Chairman and Mr. Gleason seconded the nomination. There being no other nominations, Mrs. Jasper took the Chair and moved that Mr. Savage be elected Chairman. The motion was unanimously approved with Mr. Savage abstaining. Mr. Gleason then renominated Miss Miller as Vice Chairman. Mrs. Jasper seconded the motion. There being no other nominations, Mr. Savage moved the election of Miss Miller as Vice Chairman. The motion was unanimously approved.

The next meeting was set for 10:00 a.m., September 20, 1958, on a motion by Mr. Hayes and a second by Mrs. Jasper.

At 12:10 p.m. the Board adjourned following proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT

June 7, 1958

Our investigation of the welfare of our retired teachers who earn less than \$100 per month is now complete. Although personal judgment--mine and the investigators--with all its shortcomings must enter into the investigation, I am sure it must be quite correct. Our original request was for information on 440 teachers. Some could not be located because they use a post-office box number or have their checks sent directly to a bank for deposit. Others move around frequently and are generally unknown in their neighborhood. Of the original number, seventeen received aid from members of their own family--that is, they live with sons or daughters. Of course, some are quite old and may need physical care more than financial. Five, in the opinion of the investigators, could use additional funds and seven were already receiving state welfare. Of these seven, one has over 35 years of service, the others have $31\frac{1}{2}$, $29\frac{1}{2}$, $24\frac{1}{2}$, $20\frac{1}{2}$ and $19\frac{1}{2}$ years. The seventh teacher is an Old System disability. The youngest of this group is seventy-six. This leaves 94 per cent of the group without apparent need. Income of individuals in the group investigated ran as low as \$600 a year to \$25,000 and net worth up to \$150,000. There was not one derogatory statement of character on anyone in the entire group.

The Attorney General has given us his official opinion on whether the pensions are taxable under Montana's income tax law. He reports that pension income from this System is not taxable. However, the Board of Equalization refuses to accept this ruling and will continue to tax our benefits as before. Mr. Reid does not give up very easily. If any of our retired teachers want a refund, they will have to take it to court. I believe the easiest way would be to take the problem directly to the legislators.

I have received the latest report from the Social Security Division of the PERS. Four hundred twenty-six districts now have Social Security coverage--this is about one-third of all the school districts. They cover about 73 per cent of the public school teachers and when the University faculty is included, it brings the total to about 80 per cent.

In the agenda I have requested the purchase of two new typewriters, one electric and one standard. The old electric is due for a large depreciation after July 1 so it is best to trade it now while it is worth \$150. The standard model we are trading is eight years old and valued at \$35.

On the 1st of June the Government issued a new long-term bond to balance out bonds maturing on that date. They are a 27-year maturity (a little shorter than usual) at $3\frac{1}{4}$. They will yield 3.22. This is better than other long-term government bonds are now but they will drop. The mortgage market has continued to strengthen and $5\frac{1}{4}$'s are now near par. They are still hard to acquire. Our percentages as of June 1, 1958 are:

Mortgages	$41\frac{1}{4}\%$
Governments	$36\frac{1}{2}\%$
Municipals	$22\frac{1}{4}\%$

As you know, this is one of the busiest times of the year. This month will have the heaviest posting of the year. Applications for withdrawal were apparently held for schools to close as they are now beginning to pour in. We have sent out 69 applications for retirement and I think most of the group will retire. Over one-half of these applications have been returned and processed. Of this group, those with over 35 years of service will average \$175.21. The over-all average is \$127.30 regardless of age, service or salary. These figures are considerably higher than usual but when all the applications are in, the figures will undoubtedly be lower.

RETIREMENT BOARD MEETING

September 20, 1958

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Savage. In attendance were Mr. J. L. Gleason, Mr. George Hayes, Mrs. Christine Jasper; the Actuary, Mr. Young and the Executive Secretary, Mr. McKinny.

The Secretary gave his Report and it was placed on record. The Secretary then reported the progress of the Biennial Report for 1956-58. Mr. McKinny explained the proposed format of the Report and it was approved on proper motion and second.

The Board next considered the approximate payrolls for the next quarter and they were approved on a motion by Mr. Hayes and a second by Mr. Gleason.

Mr. McKinny then reported his findings on Mr. Noll's retirement benefit from the state of Wisconsin. Mr. Noll had withdrawn his individual contributions and was still entitled to \$56 per month benefits from the employer's contribution.

Mr. McKinny also reported the opinion of one of the attorneys in the Attorney General's office in regard to considering service under PERS as teaching service in qualifying for retirement benefits under this System. It was his opinion that it would have to be considered as teaching. After a short discussion it was decided to request the Attorney General for an official opinion on the matter on a motion by Mr. Hayes and a second by Mr. Gleason.

The Board next considered possible legislation for the up-coming legislative session. At its September meeting the Board had decided to sponsor a bill to remove the present salary ceiling. Next followed a discussion on the advisability of lowering the number of years used in compiling the average salary from five to three. This suggested amendment was offered by the actuary because of the diminishing amount of Prior Service. After considerable discussion it was decided to introduce a bill to lower the number of years to three. This, because of the diminishing number of years of Prior Service, would not prove to be too expensive and would be of help to those teachers retiring at a lower salary level. Mr. Hayes offered the above motion. Mrs. Jasper seconded the motion which was approved.

Mr. McKinny then read a letter from the MEA concerning its position on a proposal from the Delegate Assembly to increase the retirement benefits now being paid to those teachers who retired under the old System and those teachers with over thirty years of service who retired under this System and are receiving less than \$75 per month. They reported that the original proposal was to secure an appropriation for this small group of retired teachers and for the Retirement Board to determine those in need and administer this supplemental fund. After more thought on the matter the MEA decided that

this approach was contrary to the philosophy of the Retirement System and that any increase should be based on the service rendered by the retired teacher. They had no definite ideas on financing the measure and left this to the judgment of the Board. The Board considered the problem at length. On the basis of the survey made earlier in the year on the well-being of the retired teachers that would be affected, it was found that, of the 425 investigated, only 35 were listed as being in need of additional help. Of this group only seven were receiving welfare. The Board agreed there was not a general need for this increase in benefits. It was also agreed that the Board would have to put passage of the other proposed amendments ahead of this proposal for they would affect a larger number of persons. Also, it was agreed that this bill would require an increase in employer contributions from the districts and if the bill were passed without an increased employer contribution, the Board would have to arbitrarily increase the contributions to the Expense Fund to overcome the deficit. Mr. Gleason moved that the Board not sponsor the bill and that the Secretary inform the MEA of the several reasons for not sponsoring it. Mr. Hayes seconded the motion which was approved.

The Board then discussed other legislation that might be introduced which would affect the Retirement System.

The Board next considered new business. On a motion by Mrs. Jasper and a second by Mr. Hayes, the transfer of Helen Roberts' account to the Public Employees Retirement System was approved as she is now employed in a position covered by that System.

Mr. McKinny explained the point in the law requiring the investigation of disability retirements and Mr. Gleason moved that the investigation be made. Mrs. Jasper seconded the motion which was approved.

The following mortgage offerings were considered by the Board:

Union Bank & Trust Co.	\$ 200,000.00	@ 99
Montana Bank	300,000.00	@ Par
Streeter Bros.	50,000.00	@ 97 & 98

Mr. McKinny reported that the present market value would prohibit the purchase of any mortgages at par. Mr. Hayes moved that the Finance Committee be authorized to invest the available funds in those mortgages they deemed most desirable. Mr. Gleason seconded the motion which was also adopted.

Mr. Hayes moved the approval of the following applications for survivorship benefits: Mr. Gleason seconded the motion which was approved.

1. Mildred Tamplin

Account of Harry Tamplin

31 years service
 average salary - \$5,000.00
 age 57 \$74.91

2. Marie Mettel

Account of Clara DeMers

12 years service
 average salary - \$2,762.00
 age 52 \$18.01

3. Helen Breeden

Account of Edgar Breeden

24½ years of service
 average salary - \$5,000.00
 age 47 \$37.55

Mr. Hayes moved the approval of the following applications for disability.
 Mrs. Jasper seconded the motion which was approved.

	<u>County</u>	<u>Yrs. Ser.</u>	<u>Av. Salary</u>	<u>Benefit</u>
1. Gladys Kadlec	State Dept.	10	\$ 1,741.00	\$ 36.37
2. Violet Heckenlively	Stillwater	32	2,900.00	99.43

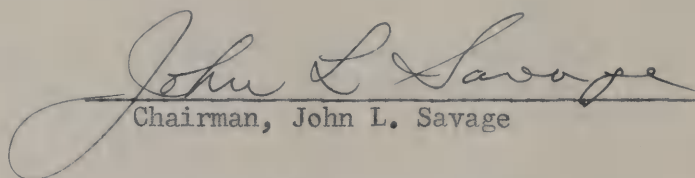
Mrs. Jasper moved the approval of the following interim applications for retirement benefit. Mr. Gleason seconded the motion which also was approved.

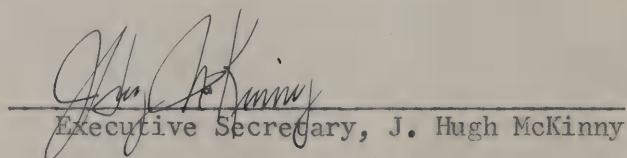
	<u>County</u>	<u>Yrs. Service</u>	<u>Av. Sal.</u>	<u>Benefit</u>
Ingebo, Pearl	Musselshell	26	\$ 3,885.00	\$ 101.04
Stam, Blanche	Hill	19 6/9	4,550.00	84.56
McGourty, Frances	Roosevelt	24½	3,594.00	69.86
Keil, Carrie	Lewis & Clark	29	4,764.00	175.29
Severy, Joseph	University	35	5,000.00	170.40 Opt. #4
McManus, Mary	Deer Lodge	40½	4,360.00	205.57
Massing, Erma	Fergus	18	3,195.00	41.29
McCoy, John C.	Sanders	39	4,200.00	184.36 Opt. #2
Greene, Amsel	Lewis & Clark	35	4,924.00	174.99 Opt. #2
Campin, Violet	Rosebud	10	3,335.00	30.87
Donald, George	Gallatin	19 1/3	4,552.00	64.38 Opt. #5
Johnson, C. E.	Vested Right	25 1/3	3,330.00	66.70 Opt. #3
Fulford, Elvira	Vested Right	37	3,864.00	141.16 Opt. #2
Boylan, Minnie	Flathead	35	3,913.00	160.37

The following applications for retirement benefit were approved on a motion by Mrs. Jasper and a second by Mr. Gleason.

	<u>County</u>	<u>Yrs. Ser.</u>	<u>Av. Salary</u>	<u>Benefit</u>
Rideout, Irene	Pondera	13	\$ 3,029.00	34.81
Jones, Frances	Cascade	35	5,000.00	162.43 Opt. 3
Barney, A. J.	Teton	34 $\frac{1}{2}$	3,830.00	138.25 Opt. 2
Thompson, Jessie	Toole	19	3,153.00	55.36
Warrington, Melissa	Blaine	10 1/3	3,060.00	33.83
Cruikshank, Margaret	Phillips			

The next meeting of the Board was set for 1:00 p.m., December 6, 1958, and the meeting adjourned at 1:15 on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

Executive Secretary's Report

September 20, 1958

I presume you have all received a copy of the Bank Examiner's Report. I hope it is correct this year. Mr. Stine made the examination again this year between July 15 and July 22 at a cost of \$236. He offered no suggestions or criticisms.

I have always felt that I should be of more assistance to teachers in planning their retirement. With the August retirement checks I asked all of our retired teachers to let me know how they have been getting along, how they spend their time and if they had to meet any unexpected adjustments. The response has not been too good but from it I find that retirement should be planned early--as much as twenty years before retirement. One should own his own home and at least one of the retired person's activities should be physical and out of doors. Most retired persons listed a club or organization of service to others in which they are active--especially their church. I had hoped to secure a list of hobbies or avocations but only the obvious were listed. In the next printing of the "Brief" I hope to add this and similar information for the aid of our present teachers.

In the Agenda I have a request to investigate those teachers under sixty who are receiving disability benefits. Our last investigation was in February, 1956.

During the summer our funds were invested in the following:

U. S. Governments	\$	180,000.00	@	3.25
Dawson Co., S. D. #1		17,500.00	@	3.15
Daniels Co., S. D. #3 & #7		48,000.00	@	3.3 & 3.4
Deer Lodge Co., S. D. #10		86,000.00	@	3.25
Flathead Co., S. D. #5		95,000.00	@	3.2
Valley Co., S. D. #1		12,500.00	@	3.25
Missoula Co., S. D. #5		25,000.00	@	3.25
Powell Co., S. D. #19		21,000.00	@	3.2

FHA & VA Mortgages are now from 98 to par and Governments have moved to around 3.7 in the past month. There are no municipal offerings in sight.

The teachers lists are beginning to come in and our process of setting up the new accounts is progressing rapidly.

Travel this summer was limited. I checked the banks in Kalispell and Great Falls. I spoke to a retired teachers group in Butte and also to the faculty of the Northern Montana College in Havre. Harry and I will attend the MEA Conventions again this fall.

RETIREMENT BOARD MEETING

December 6, 1958

The meeting was called to order at 1:00 p.m. by the Chairman, Mr. John L. Savage. In attendance were Board members, Mr. George Hayes and Miss Harriet Miller, the Actuary--Mr. Floyd E. Young and the Executive Secretary--Mr. J. Hugh McKinny.

Mr. McKinny reported the absence of Mr. Gleason and Mrs. Jasper due to the severe winter storm. The minutes of the previous meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Hayes and a second by Mr. Gleason who was at that time in contact with the Board by telephone. The Secretary presented his progress report and reviewed the financial statement and the Biennial Report. His progress report was placed on file upon proper motion and second.

The fourth quarter payrolls were approved on a motion by Mr. Hayes and a second by Miss Miller.

Mr. McKinny then reported that the Board's request for an attorney general's opinion on whether the Board could use employment covered by PERS as teaching service in Montana had not as yet been completed by the attorney general's office. In conversation with their office, however, the Secretary reported that the opinion would be favorable.

The results of the investigation of the disabled teachers was reported by Mr. McKinny. Investigators found two persons teaching and further investigation by physicians disclosed that both were physically capable of teaching. After a complete discussion of Mr. Conrad Sandvig's case, Mr. Hayes moved that he be removed from the disability rolls and that in the future all applicants be requested to notify the Board at once if they return to teaching. Miss Miller seconded the motion and it was approved. Miss Miller then moved that Mrs. Jeanne Smith be removed from the disability rolls because she was also teaching. Mr. Hayes seconded the motion which was also approved.

The Board then turned to the new business at hand. Mr. McKinny reported on the interest earnings for the past year. Following a short discussion with Mr. Young, Miss Miller moved the re-adoption of Resolution #32 retaining the paying of interest to all funds at the rate of 3 per cent. Mr. Hayes seconded the motion which was adopted.

The Board next considered Mr. McKinny's request to attend the N.C.T.R. Convention in Atlantic City, February 12, 13 & 14. Miss Miller moved that permission be granted and it be Mr. McKinny's own decision whether the time be appropriate to attend. Mr. Hayes seconded the motion which was carried.

Next on the Agenda was Mr. R. W. Hespen's request to withdraw his Vested Right account in order to re-apply for the same service credit with PERS. Mr. McKinny explained that it might be to his advantage to do this because of the different prior service dates. Mr. Hayes moved that Mr. Hespen's request be granted if he so desired and that the Secretary be instructed to safeguard Mr. Hespen's account and also to inform him of the benefits

due him in both cases. Miss Miller seconded the motion which was approved.

Next the Board considered Mr. Earl Fairbank's request for a lower monthly retirement. Mr. Fairbanks was in danger of losing the benefit of another retirement program because his income from other sources exceeded \$2,700 per year. Since Mr. Fairbanks had chosen the refund annuity option, Mr. Hayes moved that Mr. Fairbanks be allowed to forgo his annuity and that it be paid to his beneficiary at the time of his death. Miss Miller seconded the motion which was approved.

The Board then approved the Servicing Agreements with the First National Bank of Wibaux and The First National Bank of Glasgow on a motion by Miss Miller and a second by Mr. Hays.

The following interim retirements were approved on a motion by Mr. Hays and a second by Miss Miller:

	<u>County</u>	<u>Service</u>	<u>Av. Sal.</u>	<u>Benefit</u>	
1. Winifred Savalstad	Vested Right	36	\$ 4,318.00	\$ 157.05	
2. Barbara Des Marais	Vested Right	35	3,854.00	136.42	
3. Esther Schmidt	State Dept.	19 1/3	4,980.00	85.91	
4. Hester Bunting	Vested Right	25	2,950.00	72.28	
5. Arline Skotland	Glacier	35	3,910.15	174.35	
6. Charlotte Mitton	Flathead	25	2,890.00	68.11	Opt. #3
7. Fern Fallon	Richland	35	2,727.00	108.18	

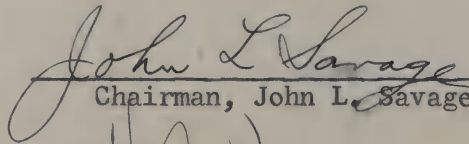
The following applications for retirement benefit were approved on a motion by Miss Miller and a second by Mr. Hayes:

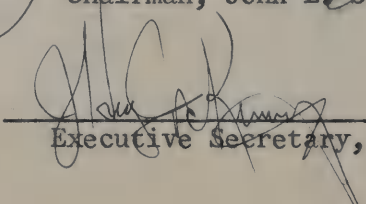
1. Isadora Suhr	Vested Right	26 $\frac{1}{2}$		
2. Elsie Campbell	Ponders	35	3,118.00	119.35
3. Mabel Pollard	Garfield	35	3,454.00	127.57
4. Margaret Holland	Cascade	40 1/3	4,213.00	219.48
5. May Spearin	Golden Valley	32	2,855.00	96.06
6. Florence Rosean	Stillwater	40	2,974.00	135.37
7. Ada M. Warner	Yellowstone			

Miss Miller then moved the approval of the application for disability benefit of Mrs. Ruth Carsen with the provision that the claim be investigated in October of 1959. Mr. Hayes seconded the motion which carried.

The next meeting of the Board was set for Saturday, March 21, at 1:00 p.m. on a motion by Mr. Hayes and a second by Miss Miller.

The meeting adjourned at 2:40 p.m. on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

Executive Secretary's Report

December 6, 1958

Our fall work is complete; all the teachers lists have been received and all the counties changed over. Although we received many lists earlier than last year, we still had several counties that did not send their lists until November. The posting is up-to-date also. I would have liked to have posted one more voucher in November but it was a real short month--only seventeen working days as compared to twenty-two in October.

The Certificates of appreciation have been mailed to our newly retired teachers and we have received several letters of appreciation. Most of the retired teachers really appreciate this little gesture.

Our bill is now ready for the coming legislative session. The title and the wording of the amended section has been approved by Bob Word of the attorney general's office. Our law is terrible when it comes to amending. The Sections are so large and a complete Section must be typed when any one part of a Section is amended.

The MEA, as you know, is sponsoring a bill to increase the minimum retirement benefits for our older retired teachers. They will ask for an increase from \$600 to \$900 per year on the same bases the law is written. A companion bill will ask for an increase in employer contribution from 3.5 per cent to 3.75 per cent which will be ample income to finance the increase.

The National Retired Teachers' Association now has five local chapters in Montana. In addition to Butte and Missoula they now have chapters at Billings, Great Falls and Kalispell. These locals are now attempting to form a state unit. This Association has always been interested in increasing the minimum retirement benefit.

Investments this past quarter have been in mortgages only. They amounted to \$364,831.28 and were purchased at 97-99 per cent of par. The percentages on investments are now:

Mortgages	41%
Government Bonds	36%
Municipal Bonds	23%

There have been only two small issues of Montana School Bonds available this fall and we have secured \$17,000 Plevna High School Bonds and \$35,000 Townsend School Bonds, both yielding 3.75 to option.

RETIREMENT BOARD MEETING

March 21, 1959

The meeting was called to order at 1:00 p.m. by the Chairman, Mr. John L. Savage. Also in attendance were Board members, Mrs. Christine Jasper, Mr. George H. Hayes, Mr. J. L. Gleason and Miss Harriet E. Miller, Mr. Floyd E. Young the Actuary and Mr. J. Hugh McKinny the Executive Secretary.

The minutes of the last meeting were approved on proper motion and second.

The Executive Secretary presented his prepared report on operations and The National Council on Teacher Retirement Convention and they were placed on record.

Following a discussion on the past legislative session it was noted that the travel expenses for state employees had not been increased. Miss Miller then moved that the Secretary be instructed to ask the Attorney General's office if the Board was permitted to pay the full travel expenses of the Secretary as our law so states. Mr. Gleason seconded the motion which was unanimously approved.

The following approximate quarterly payrolls were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

Pension Payroll	approx.	\$ 83,100.00 per month
Office Payroll	approx.	2,500.00 per month

Ethel Holmquist's request to have her transportation considered as a part of her average salary was next considered. The Board instructed the Secretary to inform Mrs. Holmquist that the request could not be allowed because reimbursement for mileage is always considered as an expense.

The Board then discussed at length the amount it could allow for maintenance towards retirement benefits, but lacking complete information the Board postponed any decision until a later meeting. The Secretary was requested to secure what information he could on rentals and furnished living quarters in the smaller towns.

The Board next considered Mr. C. G. Manning's request on behalf of the Montana Retired Teachers' Association for a mailing list of the retired teachers. On a motion by Mrs. Jasper and a second by Mr. Hayes the Board held that they should continue the practice of not giving out addresses as it might be an intrusion on the retired teacher's privacy. Many teachers do not want it known that they are retired. They felt that continuing our practice of mailing literature once a year for both the national

and state organizations ~~were~~ enough to inform those teachers who were interested.

The Secretary then explained his proposed additions to the Brief. He felt it might be advisable to include the names of the districts ~~now~~ covered by Social Security and include ~~some~~ pre-retirement information that would help the teachers facing retirement. The Board requested the Secretary to prepare the material for examination at the next meeting.

Next the Board considered Charlotte Mitton's request for changing her beneficiary after having retired under option #3. The Board ruled that Miss Mitton's request had to be denied as the law states that all payments under the different options must continue "throughout life". The motion was made by Miss Miller and seconded by Mrs. Jasper and unanimously carried.

The Board then considered the many requests they had received for credit towards a retirement benefit for military service during the Korean conflict. Mr. Hayes moved that to best clarify the "time of War" clause that the law be amended during the next session to include service during the Korean conflict. Miss Miller seconded the motion which was approved.

The Board considered the following mortgage offerings:

- | | | |
|-----------------------------------|---------------|------------|
| 1. Montana Bank, Great Falls | \$ 300,000.00 | ■ 99 |
| 2. First Nat'l Bank of Glasgow | 100,000.00 | ■ 98 |
| 3. Streeter Bros., Billings | 60,000.00 | @ 97 |
| 4. Union Bank & Trust Co., Helena | 110,000.00 | ■ 99 & 98½ |

Mr. Gleason moved the Finance Committee be instructed to invest the available funds in those mortgages they deemed most desirable. Mr. Hayes seconded the motion which was approved.

The following interim retirement applications were approved on a motion by Mr. Gleason and a second by Mrs. Jasper:

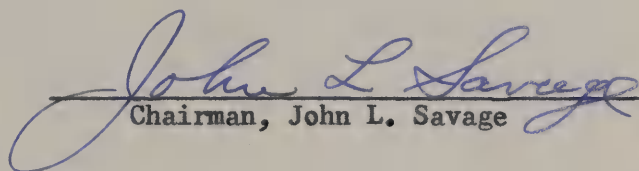
	<u>County</u>	<u>Yrs. Ser.</u>	<u>Av. Sal.</u>	<u>Benefit per month</u>	
Margaret Deegan	Sweet Grass	35	\$ 2,868.00	\$ 118.37	
Dorothy McNally	Stillwater	35	3,870.00	140.45	
Olga Konarski	Silver Bow	39	4,734.00	192.69	Opt. #2
Fletcher Pearce	Vested Rights	10	4,480.00	39.81	
Charles Dean	Vested Rights	33	5,000.00	148.66	Opt. #4

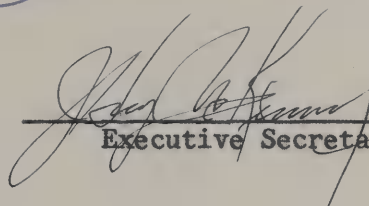
The following applications for retirement benefit were approved on a motion by Mr. Gleason and a second by Mrs. Jasper:

	<u>County</u>	<u>Yrs. Ser.</u>	<u>Av. Sal.</u>	<u>Benefit per month</u>
Alice Wolf	Vested Rights	25	\$ 3,592.00	\$ 86.72 Opt. #2
Thomas Edwards	Vested Rights	11	4,459.00	42.90
Paul Wylie	Vested Rights	17 7/9	4,500.00	75.50 Opt. #3

The next meeting of the Board was set for Saturday, June 6, 1959 at 10:00 a.m..

The Board adjourned at 3:15 p.m. on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT

March 21, 1959

This has been a very interesting and exciting quarter. The legislature was, of course, responsible for it all. I have been involved in five sessions now, and this session, as far as I was concerned, was the hardest. During the last thirty days I had more ups and downs than a yo-yo, climaxed by a standing 21 to 20 vote in the Senate, and from where I was sitting I could only see the "no" votes.

Our bill was compromised twice in Committee--first at \$7,000 and finally at \$6,000. At first I and the Chairman of the House Education Committee considered placing the bill in Conference Committee to try and raise it back to \$7,000. This was before it was voted on by the Senate. After the very close vote on General File I decided not to let the bill get back to the Senate where it could again be voted on off the record. I felt that the \$1,000 increase was insufficient but far better than nothing.

For the record, the following legislation affecting this System was enacted: The salary ceiling was raised from \$5,000 to \$6,000; the minimum benefit was raised from \$50 to \$75 per month; the employer contribution was raised from $3\frac{1}{2}$ per cent to $3\frac{3}{4}$ per cent for a period of six years; and, depending on future decisions in the courts, we have been permitted to invest in bonds to construct a new Unemployment Compensation Commission building.

Investments this past quarter consisted of the following Bonds and Mortgages:

1. Pondera, #10 - Conrad	3 3/4%	\$ 5,000.00
2. Missoula, #40 - Frenchtown	3.85%	66,000.00
3. Carter, #7 - Joliet	4.00%	10,000.00
4. Toole, #21 - Galata	4.00%	14,000.00
5. U. S. Treasury Bonds - 1990	4.07%	420,000.00
6. U. S. Treasury Bonds - 1980	3.85%	150,000.00
7. FHA Mortgages, Great Falls Nat'l Bank		198,000.00
8. FHA Mortgages, First Nat'l Bank of Glasgow		104,000.00

The large issue of government Bonds in January has pushed the interest rates on municipals up. I'm sure all issues this summer will be 4 per cent or over. The money market is continuing to tighten and shortly the discount on mortgages will again turn in our favor.

The office work is up-to-date. We have made all the interest calculations for the coming year. We have notified all school districts (also the individual teacher in the district) of teachers who will be ineligible to teach next term because of age. Also, we have notified all the county superintendents and superintendents of all high schools of the new amendments to the law. All the clerks will be notified by the middle of this week.

Convention,

National Council on Teacher Retirement
February 12, 13 & 14 1959

The Convention was held in Atlantic City again. I flew back through a lot of bad weather and the weather remained bad all the while. I had to catch a train out of Atlantic City to Washington to get home on time. I flew back from Washington with the Senator from Garfield, Mr. Mahoney, which, I think, helped our bill a great deal.

Because of the legislative sessions in the many states, this convention was not as well attended as the one last year. This has always been true on these odd-year sessions. The weather also helped to cut down attendance. To overcome these difficulties there has been a movement going for the past two years to change the date and place of the convention. This year it materialized and the next convention will be held in October or November of this year in ~~some~~ midwest city--the exact time and place to be selected by the Executive Committee. I certainly am in favor of this move but I suppose the first place we meet will be in New Orleans which is as far away as they can get it and still be in the center of the country.

The Convention got to work with a report on retirement and Social Security. With South Dakota enacting a teachers' retirement law this session, all of the states now have a Teachers' Retirement System and thirty-five states now have some type of Social Security coverage in addition. This past year a national study of the Social Security program was made and they report that the program, under its present financing schedule, is "adequately financed" and that 75 per cent of the men in the United States now receive over \$4,800 per year and they suggest a continued raising of the salary ceiling. There also was a brief report on the 200-odd bills in Congress to amend the Social Security law but since the Social Security Committees had not held any hearings, these bills did not mean much.

The Friday morning session was broken up badly because the main speaker, Don Paarlberg, did not arrive until three o'clock in the afternoon. He was delayed by weather and a quick conference called by the President. This session was devoted to inflation and the money market. The speakers were Fredric L. Simmons, Economist for the Guaranty Trust Company, Karl R. Bopp, President of the Federal Reserve Bank of Philadelphia and Don Paarlberg, Economic Advisor to President Eisenhower. These addresses, with all the others, will be in the published proceedings of the Convention. I did get a real definition of the cause of inflation which I'd like to pass on--that is, "wages exceeding productivity".

Another interesting address was given by Dr. William Ashe of Ohio State

University on "Determination of Disability". The Ohio System has a group of specialists who examine all applicants for disability. This program costs \$34,000 a year but it cut the number of applicants from 167 down to 140 and the number approved from 148 to 133 with an increased membership of 8,000 the first year, so they think the investment was well worth while. In our case it would hardly be worth while with but two or three applicants a year.

I have again been appointed Chairman of the Membership Committee for the coming year. I suppose that was a reward for getting one additional member to the Council last year--The Hawaii System.

RETIREMENT BOARD MEETING

June 6, 1959

The meeting was called to order by the Chairman, Mr. Savage, at 10:05 a.m.. In attendance were Mr. Gleason, Mr. Hayes and Mrs. Jasper. Mr. McKinny reported that Mr. Young would not be in attendance as he had to attend a Western Life Insurance Co. meeting in San Francisco.

The minutes of the last meeting, having been in the hands of the board members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary presented his Quarterly Report and reviewed the Financial Statement which were placed on file.

Mrs. Jasper moved the approval of the 3rd quarter payrolls subject to any additions which may be added later in the meeting. Mr. Hayes seconded the motion which was approved. The payrolls would be approximately \$2,620 per month for the office and \$82,700 for those on retirement.

The Board next considered the business pending from the last meeting. They thoroughly discussed the problem of living quarters being furnished to teachers rent-free, thereby lowering their contract salaries and in turn lowering their retirement benefits. The Board, on a motion by Mr. Gleason and a second by Mrs. Jasper, instructed the Secretary to contact all the school districts and inform them that if they are furnishing living quarters free to teachers, they must consider these quarters worth \$50 per month and remit to the System accordingly, thus protecting the retirement benefit of the teachers.

The Board then turned to new business at hand. Mr. McKinny pointed out the tremendously large offering of mortgage paper and that he had not been able to examine the group with Mr. Young and discuss the discounts offered. Mr. Hayes moved that the Investment Committee examine the paper and secure the best paper at current market prices. Mrs. Jasper seconded the motion which was approved.

Next, the Board considered the standard Servicing Agreement with the First National Bank of Miles City. On a motion by Mr. Gleason and a second by Mr. Hayes, which was unanimously approved, Mr. McKinny was instructed to secure the proper signatures. Then the Board considered the possibility of exchanging the \$2,147,000 U. S. Treasury Series B Bonds for the same amount of $1\frac{1}{2}$ per cent, October, 1964, Notes. The Notes could then be traded at the desire of the Board for higher yielding issues. The Secretary reported that he had discussed the idea with Mr. Young and several other finance men, including Mr. Johnson of the Western Life, Mr. Brutsch of the First National Bank and Mr. Matthews of the Union Bank. All agreed it was a very wise thing to do. It was felt that it would be best to trade one-fifth of the group each year and trade this year for $3\frac{1}{2}$ per cent 1983's at the same net cost as the $1\frac{1}{2}$ per cent notes of 10/1/64. Mrs. Jasper moved that this trade should be made and

Mr. Hayes seconded the motion which was unanimous.

The Board next considered Mr. McKinny's request for salary adjustments for the office employees. Mr. Gleason moved that Jessie McKenna's salary be raised to \$340 per month, Mrs. Elsie Wilcox's to \$333, Mrs. Dorris Morris's to \$182.50 and beginning September 1, 1959, Mr. Schneider's salary be increased to \$400 per month and Mrs. Siewert's to \$250. Mrs. Jasper seconded the motion which was approved. Mr. Gleason then moved that the Executive Secretary's salary be increased to \$7,500. Mr. Hayes seconded the motion which was also approved.

The Secretary presented the following budget for next year and Mr. Hayes moved that it be approved subject to the increases in salaries and PERS as previously approved by the Board. Mr. Gleason seconded the motion which was approved.

	<u>Estimate for</u> <u>1958-59</u>	<u>Actual</u>	<u>Estimate for</u> <u>1959-60</u>
Salaries	\$ 31,161.00	\$ 31,150.00	\$ 30,435.00
Board	725.00	737.00	750.00
PERS	1,540.00	1,563.00	1,705.00
Rent	1,026.00	1,026.00	1,026.00
Travel	1,200.00	1,150.00	1,500.00
Postage	1,100.00	1,425.00	1,200.00
Supplies	1,500.00	1,225.00	1,300.00
Maintenance	<u>1,300.00</u>	<u>1,305.00</u>	<u>1,300.00</u>
	\$ 39,552.00	\$ 39,581.00	\$ 39,216.00

Mrs. Jasper moved that the Secretary be given instructions to secure permission from the Board of the Historical Library to destroy the remittance sheets of 1948-49. Mr. Hayes seconded the motion which was approved.

The Board next considered the Secretary's request for the following additional equipment:

1 Y & E Check Sorter with guides	\$ 61.94
1 Standard Underwood Typewriter net	165.25
1 Ten-Column Underwood Adding Machine, net	285.00

Mr. Hayes moved the purchase of the equipment and Mr. Gleason seconded the motion which was approved.

The interim retirement application of Hazel Johnson was approved on a motion by Mr. Gleason and a Second by Mrs. Jasper.

The Board then considered the following applications for retirement benefits. On a motion by Mrs. Jasper and a second by Mr. Gleason, the Board approved the applications subject to the calculations of the benefits by the Actuary.

	<u>County</u>	<u>Years Service</u>	<u>Average Salary</u>	<u>Benefit</u>	
Ashley, Lucy B.	Rosebud	35	\$ 3,450.00	\$ 136.52	
Beller, Ethel	Flathead	15	3,485.00	48.55	
Carville, Edna	Richland	35	3,770.00	133.28	
Conrad, Carrie	Flathead	35	3,512.00	121.32	
Eastwood, Julia	Powder River	10	4,333.00	41.63	
Fitzgerald, Edna	Gallatin	39 $\frac{1}{2}$	5,212.00	232.13	
Gestring, Elizabeth	Toole	25	3,780.00	81.38	
Hoffman, Lois	Pondera	22	4,408.00	90.76	
Janosov, Marian	Blaine	30 $\frac{1}{2}$	3,842.00	122.56	
Jones, Fanny	Lake	35	3,632.00	131.32	
Alexander, Lenore	Cascade	34 2/3	5,667.00	191.85	
Lyden, Mabel	Silver Bow	38	5,258.78	217.03	
Midge, Myrtle	Toole	25	3,780.00	91.82	
Reeser, Clara	Valley	11	3,638.00	35.62	
Russel, Evelyn	Dawson	37	5,273.33	218.49	
Sempf, Lucille	Flathead	35	5,083.00	180.90	
Sime, Nelle	Cascade	37 $\frac{1}{2}$	3,802.00	169.98	
Smith, Theo	Lewis & Clark	40 1/3	5,320.00	250.76	
Sprung, Minnie	Yellowstone	37 $\frac{1}{4}$	5,035.00	211.09	
Stanbury, Florence	Silver Bow	29 1/3	4,950.00	141.05	
Williams, Elizabeth	Park	38 $\frac{1}{2}$	5,383.00	216.48	
Weiler, Bertha	Custer	14	4,947.00	61.95	
Wilson, Nellie	Musselshell	37 $\frac{1}{2}$	5,392.00	214.97	
Woods, Hazel	Ponder a	13 $\frac{1}{2}$	4,133.00	48.30	
Brunner, Vera	Missoula	35 $\frac{1}{2}$	3,983.00	156.84	2/3 to survivor
Howard, J. W.	University	35	5,667.00	139.59	Opt. #3
Hulstone, Carrie	Musselshell	35	5,492.00	200.88	Opt. #2
McDonald, Rena	Beaverhead	35	3,200.00	123.75	Opt. #3
Marsh, Hadleigh	St. College	29 $\frac{1}{2}$	4,500.00	81.36	Opt. #3
Watson, Lena	Cascade	28 7/9	3,300.00	83.93	Opt. #3
Beck, Clara	Cascade	33 7/9	5,667.00		
Carlson, Clara	Gallatin	27	5,536.00		
Dahl, Signe	Big Horn	41	4,370.00		
Haugan, Blanche	Stillwater	24	3,613.00		
Hinote, Nellie	Flathead	29	2,775.00		
Holmquist, Ethel	Sheridan	35 $\frac{1}{2}$	3,225.00		
Kampschor, Essie	Dawson	18	2,834.00		
Lear, Lillian	Glacier	35	3,146.00		
Devine, Marie	Silver Bow	37 2/9	5,247.00		
Elmslie, Marian	Hill	27 8/9	3,421.00		Opt. #2
Richards, Vivian	Carbon	24	4,200.00		Opt. #2
Sullivan, Carolyn	Silver Bow	41	4,909.00		Opt. #2
Versoi, Della	Glacier	15 2/9	3,666.00		
McConnell, Gertrude	Jefferson	26 $\frac{1}{2}$	3,387.00		
Noble, Florence	Flathead	39 $\frac{1}{2}$	5,083.00		
Jackson, C. F.	Northern Mont.	25 $\frac{1}{2}$	5,500.00		Opt. #5
Cunningham, Hilda L.	Cascade	29 6/9	4,083.00		
Mapes, Dorothy	Vested Right	20	3,660.00		(June 1, 1959)
Egan, Marie	Silver Bow	42	4,950.00		

(applications for retirement continued)

Stewart, Pearl	Cascade	39 $\frac{1}{2}$	5,300.00
Bohan, Blanche	Cascade	36 $\frac{1}{2}$	5,667.00
Miley, F. E.	Chouteau	37 7/9	5,667.00
Armitage, Margaret	State Dept.	27	
Baldwin, Elsie	Yellowstone	35 1/3	
Bird, Pearl	Sheridan	19	
Cannon, Sue B.	Gallatin	20 $\frac{1}{2}$	
Colby, Helen	Lake	16	
Cannon, Hazel	Cascade	35	
Crumpacker, Ruth	Richland	35	
Cummings, Rial	Sanders	35	
Davis, Fred	Silver Bow	37	
Dunster, Corlie	Toole	38 1/3	
Fawsett, Edna	Richland	19	
Fawcett, Mark	Richland	35	
Gribble, Ruth	Silver Bow	39	
Griffith, Merle	Teton	34	
Lyden, Marguerite	Silver Bow	37	
Mather, Anne	Fergus	12	
Neibel, Esther	Gallatin	34 $\frac{1}{2}$	
Powers, Emily	Silver Bow	36	
Price, Veronica	Powell	26 $\frac{1}{2}$	
Ramskill, Bernice	University	35	
Reid, Erma	Gallatin	22	
Rogers, Josephine	Richland	38	
Schuster, Anna	Valley	35	
Taylor, Ethel	Roosevelt	28 6/9	
Wesin, Letty	Roosevelt	32 1/3	
Walker, Laura	Fergus	13 $\frac{1}{2}$	

Mr. George Peck's application for disability allowance was next discussed by the Board and approval was given on a motion by Mr. Hayes and a second by Mrs. Jasper. However, the Secretary was instructed to investigate the application and the case history to see if the benefit was warranted.

The following applications for survivorship benefits were approved on a motion by Mrs. Jasper and a second by Mr. Hayes:

1. Peek, Tate	Lewis & Clark Co.	37 7/9 yrs. service
2. Crump, P. C.	Lake County	27 $\frac{1}{2}$ yrs. service
3. Ely, Roy	University	28 yrs. service

The following increases in retirement benefit were approved on a motion by Mrs. Jasper and a second by Mr. Hayes. These increases are in conformance with HB 167 as passed by the last legislature.

INCREASE IN BENEFITS FROM HB 167

	Check	Increase		Check	Increase
W. J. Abbott	\$ 51.87	\$ 9.24	Katherine L. Dunn	\$ 75.00	\$ 25.00
Clara L. Adams	55.00	18.24	Nora B. Ebersole	75.00	9.46
Mary Alexander	75.00	24.83	Kathrene Edie	75.00	25.00
Carrie Allderdice	75.00	24.92	Minnie E. Egbert	75.00	24.97
Ethan E. Allen	75.00	24.96	Ella Finkbeiner	57.86	7.77
Jennie J. Anderson	68.58	24.26	Clara Folsom	64.29	10.22
Bernice M. Andrew	60.00	19.89	Flora Fontaine	74.47	12.59
Retta Armstrong	75.00	7.66	Olivia Forcum	75.00	16.88
Nellie E. Aumock	60.00	8.07	Mary B. Franklin	75.00	25.00
Louise Bernier	75.00	24.92	Lucy Ellis Fritz	72.50	24.04
Marie A. Bowman	75.00	7.32	Maud Fritz	75.00	15.84
Johanna R. Bradford	57.50	19.08	Minnie S. Fullan	75.00	25.00
Fanny E. Brayton	75.00	5.99	Edith R. Furman	62.50	20.67
Elsie M. Brown	72.50	24.12	Nettie S. Gaghagen	67.14	17.14
Gladys I. Brown	75.00	21.51	Mary Gamber	65.00	21.66
Martha C. Brown	75.00	24.85	George Gasahl	75.00	24.97
Robert H. Brown	75.00	25.00	Fidelia L. Geiger	75.00	6.25
Mary F. Bull	75.00	25.00	Robert H. Green	46.07	31.41
Mary V. Bundy	75.00	25.00	Catherine C. Griffin	75.00	5.53
Cecilia Busness	75.00	2.01	Asgerd Haaland	75.00	25.00
Zula Carey	38.30	4.87	Maude E. Halbert	75.00	24.99
Alice Carlberg	75.00	25.00	Myra Harris	55.18	12.12
Harriet Carver	65.00	21.47	Mary P. Hatfield	53.58	1.78
Martha B. Cavin	75.00	6.56	Caroline Hazzard	24.64	5.86
Maude M. Chase	75.00	7.65	Anne Henton	52.50	16.99
William Chittick	75.00	3.37	Marie Herrick	52.50	17.50
Maggie Connolly	45.71	20.88	B. A. Hickey	75.00	25.00
Lettie D. Cosby	75.00	25.00	Zoa Orr Hicks	75.00	25.00
Mary Ann Craig	75.00	25.00	Elsie Hill	75.00	25.00
Emma Crone	75.00	25.00	Helen Carr Holdahl	70.25	23.35
Roxie Cunningham	75.00	25.00	Arthur G. Horsley	53.25	9.32
Theeta Davis	75.00	1.29	Maud C. Hume	75.00	25.00
George H. Davey	70.00	5.69	Jessica Hunt	75.00	22.47
Beatrice F. Davis	75.00	2.93	Mrs. J. R. Inman	75.00	25.00
Susie O. Dean	75.00	25.00	Mary L. Innes	75.00	24.99
Vora Blanche Delano	75.00	24.93	Dacia Weingart Irby	75.00	25.00
Isa M. Denson	67.75	21.95	Mercy Jackson	75.00	13.13
Martha Dewey	70.00	7.32	Iva Jennings	70.00	23.16
Irene M. Dibble	75.00	25.00	Elizabeth Johnson	75.00	11.16
Ethel M. Dietrick	65.00	11.39	Ella G. Johnston	75.00	25.00
Judith E. Dixon	35.36	6.36	R. H. Johnston	75.00	2.02
Nellie W. Dodge	75.00	1.20	Josie Jones	75.00	25.00
Florence Dorr	57.50	21.81	Pearl Kellams	75.00	25.00
Emma R. Dorris	75.00	25.00	Mary Kelly	75.00	25.00
Margaret Dorweiler	65.00	17.28	Frances C. Kessler	71.75	23.75
Ann V. Dunn	75.00	25.00	Sarah Kittleson	63.22	13.96

Alice D. Knapp	\$ 60.00	\$ 19.99	Camilla Osborne	\$ 75.00	\$ 5.69
Rayes L. Knobloch	72.86	1.84	Gertrude Oswald	75.00	14.58
Regina Kohten	61.25	20.26	Ella Parker	75.00	25.00
Carrie Larson	75.00	15.30	Stella Peck	63.75	11.87
Oliver W. Lasator	75.00	8.68	May Gould Penwell	72.50	3.00
Mary P. Lee	56.43	12.72	Elizabeth Perkins	57.50	19.03
Mary F. Leinenweber	74.27	17.38	Ida Perry	75.00	21.91
Sadie Lillard	75.00	15.13	Louise F. Peterson	55.50	18.43
Jessie Limbaugh	75.00	25.00	Mary E. Pettigrew	75.00	11.54
Edwin K. Lloyd	57.86	2.86	Cassandra O. Phelps	75.00	25.00
Sue Long	75.00	24.91	Clarence H. Pollard	33.22	4.53
Carrie E. Lupton	75.00	24.94	Edith Porter	60.00	13.14
Ethel McCleary	75.00	24.88	Jennie S. Porter	75.00	25.00
Cora McCormick	75.00	25.00	Minnie Porterfield	75.00	.16
Edith McCourt	75.00	3.81	Edna C. Purves	75.00	23.47
Jean McCrea	75.00	25.00	W. J. Rankin	75.00	25.00
Nell McDermott	75.00	25.00	Lucille M. Reynolds	75.00	25.00
J. D. McDowell	37.50	12.42	Jessie E. Richardson	75.00	6.46
Jane McGinnis	75.00	25.00	Elnora J. Robbin	51.43	8.22
Isabel McGrade	75.00	18.51	Anna Robinson	64.72	14.66
Nellie R. McKee	75.00	24.86	Bessie Robinson	75.00	24.89
Cora McKinster	75.00	25.00	W. Irvan Robinson	75.00	25.00
Mrs. B. D. McLeod	75.00	25.00	Mildred Rogers	65.63	21.69
Mary McLeod	75.00	24.87	Adeline Rominger	38.57	6.73
L. B. McMullen	70.00	5.14	Ambrose Ryan	41.42	4.94
Frederick A. McVay	66.50	20.81	Sarah Ryan	75.00	24.93
Addie Maltby	75.00	.90	Jessie Sanderson	62.14	5.37
Margaret Malone	75.00	25.00	Isabella R. Sattler	53.75	17.73
Lucretia Masterson	72.13	1.39	Mildred Schlosser	68.75	20.36
Elizabeth Matheson	70.00	23.30	Florence Shannon	72.00	3.28
Elizabeth M. Melton	75.00	25.00	Anna Schultz	75.00	1.98
Daisy E. Milspaugh	75.00	2.75	Rachel J. Shannon	45.43	5.29
Aimee H. Mingay	75.00	25.00	Winifred Shannon	53.58	15.39
Melissa W. Minger	70.00	9.55	J. F. Sharp	75.00	25.00
John J. Monroe	42.86	1.58	Nellie Shea	75.00	25.00
Lulu M. Moore	67.50	22.44	Marialys Sheldon	28.93	10.48
Lillian E. Morgan	50.75	16.82	Arrabelle G. Shepard	68.57	1.98
Lenora Munson	49.93	4.55	Angela Smith	75.00	25.00
Irene Murphy	75.00	14.09	Nora Smock	75.00	24.78
Katherine Murray	75.00	23.52	Ida M. Southwick	75.00	12.43
Mabel Musser	75.00	14.15	Josephine Spaulding	75.00	25.00
Grace Muth	75.00	7.12	Cora Squire	65.00	7.96
Joanna S. Neely	75.00	24.82	George Squire	53.75	6.98
Margaret E. Oberlander	63.25	23.47	Nettie V. Stahr	75.90	25.00
Maude O'Hara	75.00	25.00	Anna B. Steingruber	54.22	22.88
Elfie Oldsen	71.79	11.88	Lois Stevenson	75.00	25.00
Margaret O'Malley	75.00	24.88	Emma Stoetzel	75.00	23.08

Charlotte M. Straub	\$ 75.00	\$ 25.00	Anna Raa	\$ 55.00	\$ 9.28
Jeanne H. T. Strauch	70.25	22.23	Mamie M. Riggs	73.25	24.36
Loretta L. Sullivan	75.00	25.00	Unita Seymour	41.48	5.74
Mildred Lamb Sutton	75.00	25.00	Nola M. Squire	55.00	18.33
Amanda O. Swift	75.00	23.47	Alice H. Wilson	36.50	12.06
Flossie Temple	69.65	8.45	Fred Woodward	75.00	25.00
W. Templeton	75.00	25.00			
Amelia Tessmer	75.00	25.00			
C. D. Thaxton	75.90	25.00			
Ella Turpin	75.00	24.99			
Margaret B. Tway	75.00	25.00			
Gertrude Verbeck	75.00	13.17			
Opal W. Vandewark	73.93	23.76			
Lida Walters	75.00	24.93			
Cornelia Walvoord	75.00	25.00			
Flora B. Weisberg	61.50	12.98			
Mary Welch	75.00	24.84			
H. B. Westergaard	56.25	10.97			
Nellie White	73.50	24.34			
Eulalia Winter	58.29	22.32			
Minnie K. Wolenetz	60.65	13.28			
Mary Yaeger	64.29	.45			
Nancy York	75.00	.75			

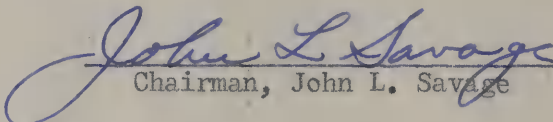
DISABILITY

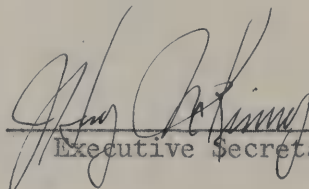
Marie Afflebach	\$ 71.75	\$ 11.28
Jessie B. Lynn	67.50	11.44
Ethel M. Broderson	52.50	17.50
Frances E. Cone	75.00	27.00
Marie E. Conley	73.50	24.43
Zell Conolly	61.25	20.42
Mary P. Criswell	42.00	15.33
Belle Donaghue	75.00	25.00
Helen Edgerton	56.25	8.09
Elizabeth Emery	75.00	16.88
Evelyn Ferguson	39.65	1.62
Alpha Fitzpatrick	75.00	25.00
Martha Gruel	52.50	17.50
Edith M. Hanson	75.00	25.00
Ola T. Harmon (Mrs.)	75.00	25.00
George Harris	61.50	8.84
Margaret B. Hollensteiner	70.00	10.00
Mary Hyland	75.00	25.00
Maybelle Kregness	75.00	25.00
Mary Faye McGlynn	46.07	3.80
Nellie C. Mulholland	70.00	12.97
Hazel A. Murray	38.57	.86
Viola Otrin	40.25	13.40
Lillian Powers	47.15	2.04

As this was the last meeting of the school year, the terms of the Chairman and Vice-Chairman of the Board expired. Mr. Hays moved that Mr. Savage be re-elected as Chairman. Mr. Gleason seconded the motion. The motion was unanimous with Mr. Savage abstaining. Mr. Hayes then moved that Miss Miller be elected Vice-Chairman. Mr. Gleason seconded the motion which was unanimously approved.

The next Board meeting was set for 10:00 a.m., Saturday, September 12, 1959.

The meeting adjourned on proper motion and second at 12:25.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT

June 6, 1959

At the last Board meeting I requested permission to add a section to the "Brief" on -- Preparation for Retirement. I felt this should be done because so many persons were planning too late for retirement and more or less sneaking into oblivion. Now, I must change my thinking somewhat. True, the need is still there for earlier planning but no longer are all teachers sneaking into retirement. This year there are more newspaper stories concerning retiring teachers than in all the nine years I have been connected with this program. I am quite surprised at this change in attitude and also very pleased for I cannot but feel a teacher should be proud of any past service. If there are any reasons for such a change, it must be increased retirement income and better preparation.

The mortgage market seems to be flooding us. Money has tightened up and every one wants to sell now. Mr. Young has not been able to examine these offerings as yet but I'm sure he'll agree with me, in the light of such a larger offering, that we should have more discount.

We hold in our U. S. Government Bond portfolio \$2, 147,000 in Series B, 1975-80, 2 3/4 per cent securities. We received these several years ago in a trade for 1967-72's @ 2 1/2 per cent. These are now marketable bonds and can only be traded for 1 1/2 per cent 5-year notes. These notes in turn can be evenly traded now for 3 1/4%, 1983's or if held to maturity, there is a possibility of buying 4%, 1980's at par--a real profit. I have discussed this with Mr. Young and all the finance men in town and they feel as I,--that this should be done. Your approval for such a transfer is requested in the agenda.

Following the Attorney General's opinion on mileage for Judges, I requested, as was your instruction at the last meeting, his opinion on our using actual expenses in travel. Without any pause, I was informed we could not. The opinion for Judges was written mainly to stop this practice which had been going on in other offices.

We had a very good response to our questionnaire sent to the first, second and third class districts regarding furnished living quarters. Of the 179 replies, a surprising 75 reported the district owned living quarters for teachers. But, of these 75, only 14 districts did not charge the teachers rent and 7 of these pointed out this was for the superintendent only. So it would seem, we would have but 7 districts furnishing living quarters which would lower the contract salary of a teacher.

For the first time since January, 1955, we have had a change in help. Mr. Spraycar left us to take a position with the First Trust Company. It was a position that offers much more room for advancement. Mrs. Lee left the 1st of June. Her husband has been transferred back to Great Falls. I have

moved Tom Schneider up into Harry's position. Even though he has had but two years of college, he has worked for us on a part-time basis for three years and this experience has kept our work load up to schedule. I replaced Mrs. Lee with Mrs. DeCelle Siewert who previously worked for the Board of Equalization. She is breaking in nicely.

This time of the year is, of course, one of our busiest. We have sent out applications for retirement benefits to 80 persons and about 55 applications have been signed and returned. We will probably have about 70 by July 31. Applications for withdrawal have been lagging but it may be that they are waiting the close of school.

The budget for this year is about \$500 less than last year. The savings in salary accounts for this. I have requested additional travel allowance as I feel more of this mortgage property should be examined before we purchase it.

Our percentages of investment are:

Mortgages	42%
Municipals	22%
Governments	36%

THE TEACHERS' RETIREMENT BOARD MEETING

September 12, 1959

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Savage. In attendance were Mr. Gleason, Mr. Hayes, Miss Miller, the Actuary--Mr. Young and the Executive Secretary--Mr. McKinny. Mr. McKinny reported that Mrs. Jasper had called earlier in the week and informed him it was impossible for her to attend and that she was extremely sorry to miss the meeting.

The minutes, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Hayes and a second by Mr. Gleason.

The Secretary presented his Quarterly Report and the Chairman ordered it filed. The monthly Financial Statement, along with the Annual Statement, were examined by the Board and also placed on file.

The approximate pension payroll of \$98,500 per month and the office payroll of approximately \$2,600 per month for the last quarter were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Board then considered the new business at hand. First on the agenda was the request for a Servicing Agreement by the First Security Bank, Glasgow. The Secretary was instructed to secure the proper signatures.

Following a discussion on the need for the investigation of joint survivorships to see if both parties were still living, it was agreed that the same purpose could be accomplished by requiring both signatures on the check. Mr. Hayes moved that in the future all checks for those on joint-survivorship options be required to have signatures of both payees. Mr. Gleason seconded the motion which was unanimously approved.

The Board then considered the request by the Sigma Chi Fraternity Chapter at Montana State College to purchase their loan in order that they might construct a new building on that campus. Following the ensuing discussion, Miss Miller moved that the System limit its mortgage purchases to residential property. Mr. Hayes seconded and the motion was unanimously approved.

Following a complete discussion on Mr. Wolhowe's request for out-of-state service, it was agreed that our law would not permit the Board to recognize this service. It was felt that in his position as Director of Child Welfare he would come under the Public Employees' Retirement System, and had his position been predominately special education he would have been under The Teachers' Retirement System in North Dakota, which he was not. Further, there are positions in our Welfare Department connected with education that are covered by The Public Employees Retirement System.

On a motion by Miss Miller and a second by Mr. Gleason, the Chairman and the Secretary were given permission to attend the National Council on Teacher Retirement Convention in Chicago, November 11-14. The motion received unanimous approval.

The Secretary's request to purchase a Dictaphone dictator and transcriber was approved on a motion by Miss Miller and a second by Mr. Gleason.

Dr. Shallenberger of the University had requested information on his being permitted to do research at the University following his compulsory retirement in August, 1960. Since the research was to be for a private foundation, the Secretary was instructed to secure more information on retirement payments of instructors now doing research for like foundations.

The Board then considered the applications for survivorship benefits and Miss Miller moved the approval of the applications subject to final calculation by the Actuary. Mr. Gleason seconded the motion which was approved

- | | | | |
|----|------------------|---|----------------|
| 1. | Joan Belhumeur | Account of Helen C. Cavanaugh
36 years service
Average salary -- \$5,000.00 | July |
| 2. | Jeanette Haskell | Account of Leonard Haskell
23 years service
Average salary -- \$4,790.00
survivor's age - 24 | June (\$39.15) |
| 3. | Lloyd Anderson | Account of Edna Anderson
13 years service
Average salary -- \$2,880.00
Survivor's age 55 | July |
| 4. | Rita Hanley | Account of Genevieve Hanley
37 years of service
Average salary -- \$4,219.00 | June |
| 5. | May Rafferty | Account of Helen Rafferty
21 years of service
Average salary -- \$4,744.66 | September |

Next the Board considered the applications for disability benefit. Miss Miller moved the approval of the applications of Miss Foss and Mr. Erath and that further information be secured on Miss Moebus. Mr. Gleason seconded the motion which was approved.

- | | | |
|----|----------------------------|--|
| 1. | Edith Foss
(Heart) | 11 yrs. PS, 13½ yrs. MS: 24½ yrs. CS
Average salary - \$4,966.00
Age 59
Monthly benefit \$130.37 to begin as of Jan., 1958. |
| 2. | Marie Moebus
(Deafness) | 8 2/9 yrs. PS, 18 yrs. MS: 26 2/9 yrs CS
Average salary - \$4,427.00
Age 58
Benefit to begin as of September, 1955 (\$124.38) |
| 3. | R. D. Erath
(Cancer) | 5 yrs. PS, 22 yrs. MS: 27 yrs. CS
Average salary - \$4,733.00
Age 59
Benefit to begin as of September, 1959 |

The following applications for retirement benefit were approved on a motion by Miss Miller and a second by Mr. Gleason subject to final calculations by the actuary.

Interim Retirements

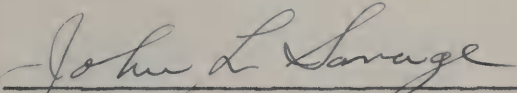
		<u>County</u>	<u>CS</u>	<u>PS</u>	<u>Av. Salary</u>	<u>Benefit</u>	
1.	Cora Gilles	Golden Valley	21 $\frac{2}{3}$	8	\$ 3,516.66	\$ 72.66	
2.	Clara Schneider	Roosevelt	17 2/9		3,783.33	53.65	
3.	Susie Huston	Garfield	27	15	2,685.00	75.10	
4.	Edith Syth	Fergus	29 $\frac{1}{2}$	13	4,341.66	122.72	
5.	Jennie Kyle	Lake	26 $\frac{1}{2}$	8	3,631.67	92.27	
6.	George Hallett	Valley	17		5,216.66	78.63	
7.	Signe Anderson	Sweet Grass	20	5 $\frac{1}{2}$	2,775.00	51.31	
8.	Stella Just	Phillips	23		4,066.66	72.98	Opt. #2
9.	Katherine Roy	State College	23	9	5,666.67	130.06	
10.	Ann Ulland	Yellowstone	33	1 $\frac{1}{2}$	5,666.67	136.63	Opt. #2
11.	Eileen Storey	Garfield	23 6/9	7	3,150.00	68.22	Opt. #2
12.	Ethel Blomgren	Silver Bow	39	20	4,193.00	188.32	Opt. #2
13.	Lena Linden	Fallon	22	15	2,850.00	67.86	
14.	A. M. Munson	Deer Lodge	35	13	5,666.67	192.20	
15.	Mildred Chamison	Silver Bow	38	22	5,258.80	211.20	
16.	Sue Cannon	Vested Right	21	8 $\frac{1}{2}$	1,600.00	45.00	
17.	Josephine Erwin	Yellowstone	37 $\frac{1}{2}$	20 $\frac{1}{2}$	5,666.67	225.03	
18.	Inez Dusenbury	Liberty	12 $\frac{1}{2}$	5 $\frac{1}{2}$	2,833.33	38.03	
19.	Ruth Dumont	Carter	23	15	2,250.00	54.14	
20.	Laura Hartman	Silver Bow	26	11	4,744.67	123.86	
21.	Zelma Edgerton	Prairie	42	26	3,648.00	168.85	

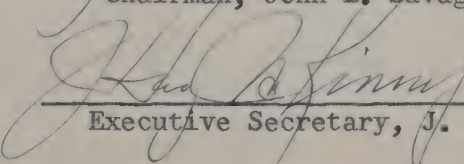
Applications for Retirement

1.	Grace Roll Hatch	Vested Right	21	10	2,941.66	62.38	
2.	Bernice Ramskill	State College	35	18	5,833.00	211.67	Jan.
3.	Theodore H. Smith	Vested Right	14	2	5,333.00	70.93	Jan.
4.	Mabel O'Leary	Silver Bow	35	16 3/9			Sept.
5.	Beatrice Kreis	Richland	22 $\frac{1}{2}$	2	4,800.00		

The next meeting was set for Monday, December 21, 1959, at a time to be set later on agreement by the Board.

The meeting adjourned at 12:05 on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

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EXECUTIVE SECRETARY'S REPORT

September 12, 1959

The increase in the minimum benefit and the raising of the salary ceiling has brought a sharp increase in our average benefit. The average check is now \$100.50 as compared to \$92.52 in April. The average disability check is now \$73.89 as compared to \$65.71 and the average option is now \$114.93 and it was \$109.76. These are overall averages and do not take into consideration the number of years of service. The average regular retirement with 35 years of service has risen from \$115.81 to \$147.09.

Of this summer's additions, the average regular retirant was a woman (61 to 2) with 27.6 years of service of which 13.4 years were prior service years. She had an average salary of \$4,196 and was 65.8 years old. Her check was \$134.90.

For those selecting one of the optional payments the average check was \$142.42. This was earned with an average salary of \$4,812.50 and 32.4 years of service of which 15 years were prior service. The average age was 65.4 years. There were 28 applications of which 7 were men.

You will note that there is no mention of mortgage paper on the Agenda. This is not because there is none available but because the offerings in June were so plentiful that even by the next meeting we will not have purchased all of that group.

During the summer we purchased the following Municipal Bonds:

#12 Fallon Co. (Baker)	\$ 180,000.00 @ 4.3 - 5	Coupon
City of Sidney Sewer Bonds	39,500.00 @ 4.2 - 4.25	Coupon
#8 Toole Co.	7,000.00 @ 4.2	Par
#7 Jefferson Co.	10,000.00 @ 4.1	Par
#11 Chouteau Co.	109,000.00 @ 4.3 - 4.25	Coupon

We also completed the trading of our Series B, 2 3/4 Treasury Bonds. The entire issue was traded for 3 1/4, 1978-83's at the same price. The purchase of mortgage paper was limited to the Streeter Bros. offering of \$74,000 in August. This just balanced the principle payments on mortgages during the summer.

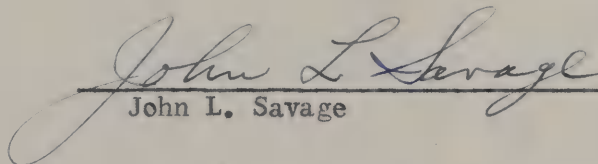
It seems quite apparent that Congress will raise the interest rates on long-term Government Bonds. This may not be until next spring and in all probability we won't be purchasing any until that time for it possibly would not be too good an investment for our purpose. Since Montana Municipals are generally only available in the summer months, we will probably have to go over 42 per cent in mortgages for the time being.

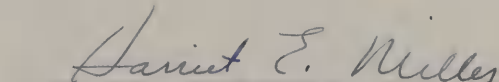
As yet the Bank Examiners have not audited our books. They are shifting employees and hope to get to us by the 1st of October.


The teachers lists are now coming in for this year and we are beginning our process of changing over our records.

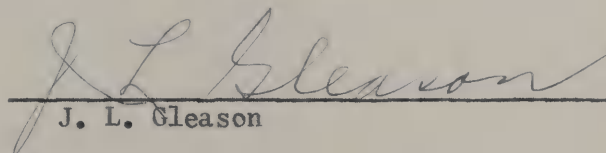
RESOLUTION NO. 34

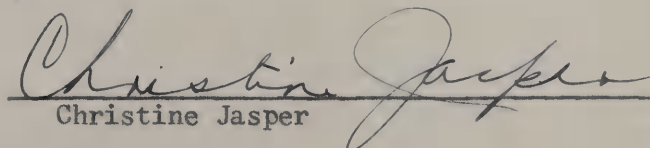
BE IT RESOLVED that the interest rate of three and one-half per cent ($3\frac{1}{2}\%$) be allowed on the annuity savings funds of The Teachers' Retirement System and that the Actuary be instructed to use an interest rate of three per cent (3%) together with the previous mortality and disability and withdrawal assumptions to determine the amounts of the reserves for the various fields.


John L. Savage


Harriet E. Miller


George Hayes


J. L. Gleason


Christine Jasper

RETIREMENT BOARD MEETING

December 21, 1959 (Monday)

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Savage. In attendance were members, Miss Miller, Mr. Gleason and Mr. Hayes, the Actuary--Mr. Young and the Executive Secretary--Mr. McKinny.

The minutes, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Miss Miller. The Executive Secretary presented his Report along with a resume of the National Council on Teacher Retirement Convention in Chicago. It was placed on file along with the monthly Financial Statement on a motion by Miss Miller and a second by Mr. Gleason.

Mr. McKinny reported that the monthly retirement payroll for the next quarter would be approximately \$98,400 and the office payroll approximately \$2,575. The payrolls were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Board then turned to the new business at hand beginning with the setting of the interest rate for the coming year. The Actuary felt that the System would be in a position to pay $3\frac{1}{2}$ per cent or better on their assets now and for some time in the future. But he also felt that the increase in life expectancy since the System began would require adoption of newer annuity tables which would lower the monthly annuity payment. The same effect would be reached, however, by continuing the annuity payments on the same tables now in effect (1937 standard) and leaving the interest on the annuity payments at 3 per cent. The Secretary then read Resolution #34 as proposed by the Actuary. Miss Miller moved the adoption of the Resolution and Mr. Gleason seconded the motion which was approved.

The Board considered the request for a Servicing Agreement with the Security Trust and Savings Bank of Billings. Mr. Hayes moved that the Secretary be instructed to secure the proper signatures. Miss Miller seconded the motion which carried.

Mr. McKinny's request for authority to purchase a Thermo-Fax Copying Machine for the System at a cost of \$299.50 was approved by the Board on a motion by Mr. Hayes and a second by Mr. Gleason.

The Board then considered Minnie Merrick's request for retirement benefits for the months of September and October. The Secretary reported that her application had not been received until November and that he had placed her on interim retirement November 30. He also reported that she was entitled to retirement benefits beginning in July but was being paid on a twelve-month basis so the teacher believed she was not entitled to benefits until September, and, because of illness, and the belief that her benefit would automatically start in September, she had not returned the application

before November. Mr. Hayes then moved that the Secretary be instructed to pay Minnie Merrick for the months of September and October. Mr. Gleason seconded the motion which was approved.

Edna Medsker's request to purchase out-of-state service was next considered by the Board. She is a retired teacher who apparently did not know she could purchase credit for teaching in another state. After a short discussion Mr. Hayes moved that she be allowed to purchase the out-of-state service with the increased benefit to go into effect at the date of purchase and the increased annuity be based on her present age. Mr. Gleason seconded the motion which was approved.

The following applications for disability benefit were approved on a motion by Mr. Hayes and a second by Mr. Gleason with payment to begin on date of application:

	<u>County</u>	<u>Average Sal.</u>	<u>Yrs.</u> <u>Ser.</u>	<u>Benefit</u>
1. Mary Connole	Hill	\$ 5,218.33	28 $\frac{1}{3}$	\$ 158.37
2. Catherine Luthje	Granite	3,958.66	26	110.25
3. Marie Moebus	Silver Bow	4,427.00	26 2/9	124.38
4. Olive Norman	Vested Rights	2,620.00	16	

The following applications for retirement allowance (including interim retirement applications) were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

	<u>County</u>	<u>Average Sal.</u>	<u>Yrs.</u> <u>Ser.</u>	<u>Benefit</u>
1. Emily Shotwell	Rosebud	\$ 3,700.00	21 $\frac{2}{3}$	\$ 73.93
2. Minnie Merrick	Lake	3,998.00	35	141.21
3. George Alton	Phillips	5,100.00	27 $\frac{1}{3}$	88.62 Opt. #4
4. Hazel Talbot	Roosevelt	3,885.00	35 2/9	143.76
5. John Weaver	Silver Bow	4,896.00	25 $\frac{1}{3}$	95.57 Opt. #5
6. Avis Grosvold	Prairie	3,331.00	22	75.37
7. Edith Lamb	State College	2,470.00	15 3/4	34.45
8. Marian Dush	Vested Right	3,200.00	16	53.28
9. Helen Herford	Uncl			
10. Frances Patton	Vested Right	5,000.00	30	
11. Hilda Porter	Prairie	3,025.00	11 $\frac{1}{2}$	

The following applications for survivor's benefits were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

1. Emmet Martin	account of Aileen Martin Lincoln Co. average salary \$4,060.00 32 yrs. service age 56 monthly benefit \$97.26
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2. Esther Urdahl

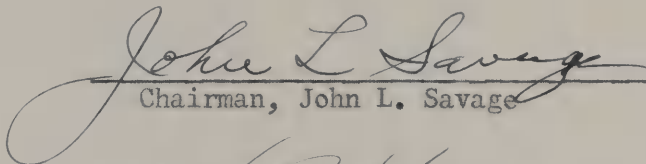
account of E. R. Urdahl, Gallatin Co.
average salary \$5,603.33
32 $\frac{2}{3}$ years service
age 49
monthly benefit \$106.22

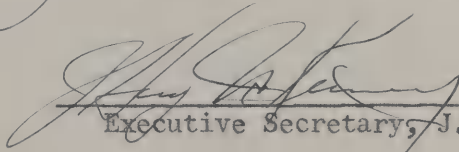
3. Exter Hughes

account of Carmella Hughes, Glacier Co.
average salary \$4,265.00
21 $\frac{1}{2}$ yrs. service
age 67
monthly benefit \$73.03

The next Board Meeting was set for 10:00 a.m., Saturday, March 5, 1960.

The meeting adjourned at twelve noon on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

CONVENTION,

National Council on Teacher Retirement
November 11 - 14, 1959

The Convention was held this year, as you know, at the Edgewater Beach Hotel in Chicago. I'm sure it will be a long time before it is held there again. When most of us arrived there, there were no rooms available even with reservations. I was there four and one-half hours waiting for a room. This hotel is quite a way north of the city center and if there had been another hotel anywhere near, I'm sure most of us would have left.

The Convention itself was interesting and very well managed. Meetings were on time and the speakers sat down when their time was up. Apparently the speakers knew that the "mind cannot conceive what the seat cannot endure".

The program began in earnest with a resume of pending social security and tax legislation. Most of the social security legislation has to do with disability benefits, increasing earned income beyond \$1,200 and the Folsom bill to include health insurance in OASI. Several tax bills were mentioned which would exempt all public retirement or exempt as much as railroad retirement. Another bill of interest would exempt payment of tax on money in a private investment fund (up to \$2,500). A bill on which hearings are now being held would abolish the tax-exempt status of municipal bonds.

Mrs. Andrus, President of the NRTA, spoke on problems of the aged. She stated that their group was not nearly as interested in securing hospital or doctor benefits as they were interested in securing some relief on the cost of drugs. This was an interesting remark at the time and I certainly recalled it when reading of the mark-up on the price of drugs.

Again this year I felt that the most interesting session was on investments. The speakers were Dr. Valentine of Halsy, Stuart & Co. and Waid R. Vanderpoel of the First National Bank of Chicago. Dr. Valentine always points out the tremendous growth of public retirement each year (1 billion 900 million dollars from 1958 to 1959) and compared the investments of our group with private retirement systems and life insurance companies. Dr. Valentine is a great believer in diversification and feels we all should invest in corporate stocks and bonds. Vanderpoel's speech, along with all the others, will be published in the proceedings. It will not be as effectively published, however, for he used an overhead projection which is a very fine education tool. His main theme was a need to invest in more stocks which are hinged with the cost of living.

Because the present council officers had only held office since February, all officers were held over until next fall. The meeting will then be held in Phoenix, Arizona.

Executive Secretary's Report

December 21, 1959

The Bank Examiner's completed their audit the first week in November. By now you have probably received a copy of the examination. The final work was done by Harding Hanson. I feel that the examination was more complete this year than in the past but I still don't feel we get our money's worth--\$315. The rate is now \$60 a day.

Mrs. Naomi Didriksen is now employed as record clerk. She began the 1st of October at a rate of \$260 per month. I feel that she will work out satisfactorily and I hope that the position is now stabilized.

The posting is almost up-to-date but a break-down in equipment and a bit of illness has us behind about three days posting--one voucher. The boy helping with the posting is Jack Bennett, a college student. He is receiving \$1.55 an hour and works each afternoon for four hours.

I had hoped by this time to have an accurate estimate of the additional funds we receive by the changes in the law. However, the lag in posting in November has made it impossible. I'll have a much better idea by the end of this month.

I seem to have done more traveling than usual this fall. In addition to the Chicago trip and the MEA Convention, I have spoken in Hardin, Billings and at Montana State University. I spent three days in Havre and did personal interviews with 52 teachers. I also spoke at local meetings in East Helena and here in Helena. I will be speaking in Bozeman and Deer Lodge the first part of January.

We have been able to pick up all the mortgage offerings we received before the 1st of July. Banks are still very anxious to sell mortgage paper and we still have offerings which were received last summer that Mr. Young and I have not as yet examined.

The last week in November the Treasury Dept. offered 5-year notes in exchange for G Bonds maturing in 1960. We exchanged \$50,000 on which we should net about $4\frac{1}{2}$ per cent.

We have two delinquent loans of five and eight months in Anaconda. I don't think much can be done until the strike is settled.

RETIREMENT BOARD MEETING

March 5, 1960

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. John Savage. In attendance were members--Mr. J. L. Gleason, Mr. George Hayes and Mr. Young the Actuary and Mr. McKinny the Executive Secretary. The Board noted the absence of Miss Miller who had to attend a meeting in Denver and Mrs. Jasper who could not attend because of the excessive snowfall in her corner of the state.

The minutes of the December meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary presented his Report and the monthly Financial Report was reviewed. The February Financial Report was compared with the March, 1950 statement with great interest. The reason for this was that it marked the tenth anniversary of Mr. Savage's and Mr. McKinny's association with the Retirement System. The Secretary's Report and the Financial Statement were ordered placed on file.

The pension payroll for the second quarter of 1960 of approximately \$99,325 per month was approved on a motion by Mr. Gleason and a second by Mr. Hayes. The office payroll for the same quarter of approximately \$2,570 per month was approved on a motion by Mr. Hayes and a second by Mr. Gleason.

The Board then reconsidered the disability application of Catherine Luthje. Her original application was approved at the December, 1959 Board meeting with her payments to begin with the date of application. Miss Luthje asked that she be paid back to the date she was forced to leave the calssroom. She explained that she didn't apply at that time as she didn't feel then that her disability would prevent her from again teaching. She did not teach the term 1958-59 and only in the fall of 1959 did she and her doctors agree that her disability was likely to be permanent. After a full discussion, Mr. Gleason moved that payment be extended back to March, 1958, and that she be paid from April, 1958 through October, 1959. Mr. Hayes seconded the motion which was approved.

The Board next considered the problem of the System's inadequate office space. The Secretary was instructed, on a motion by Mr. Hayes and a second by Mr. Gleason, to request the Board of Examiners to allow us two additional rooms in the Mitchell Building when the Unemployment Compensation Commission vacates its space to move into its new Building.

After a discussion of possible new legislation the Secretary was instructed to prepare, for the next Board meeting, legislation on removal of the salary ceiling and on permission to allow Korean War Service as prior service. This was put in a motion by Mr. Hayes and seconded by Mr. Gleason. The Secretary was also instructed to find out what per diem other Boards are receiving while attending state meetings.

On a motion by Mr. Hayes and a second by Mr. Gleason the following inactive accounts were transferred to the Pension Accumulation Fund with the understanding that if the member requested a withdrawal or returned to teaching, the account would be transferred back to the Annuity Savings Fund.

1. Coberly, Dwight	\$ 53.74
2. DePue, Harold	4.99
3. Fox, Donald	482.16
4. Gatz, Mildred	20.56
5. Harold, Leona	119.77
6. Hernandez, Juan	7.13
7. Lamey, Bernice	221.06
8. Mordan, Bessie	397.44
9. Olson, Marylyn	48.46
10. Peltzer, Ruth	230.66
11. Rinker, Mildred	208.10
12. Welkins, Billy	15.76
13. Wheeler, Sanford	30.19
14. Zeeck, Analeen	118.64

The Secretary informed the Board that the law required an examination of withdrawals and a report of the financial liabilities of the System every five years. Since the last report was made in 1955, another was due in 1960. On a motion by Mr. Hayes the Actuary was instructed to prepare the report and the Secretary was instructed to pay the Actuary an additional year's fee for the service. Mr. Gleason seconded the motion which was approved.

The following interim retirement benefits were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Av. Sal.</u>	<u>Benefit</u>
1. R. W. Hespen	Vested Rights	2	14	\$ 2,355.33	\$31.33
2. Marguerite Manning	Silver Bow	25 6/9	14	5,414.90	235.55
3. Frances Patten	Vested Rights	15	14	5,000.00	148.93 Opt. #2
4. Rella Johnson	Vested Rights	2	16	3,931.66	35.59 Opt. #3
5. Clara Molumby	Cascad e	21	14	6,000.00	233.70

The following applications for retirement benefit were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

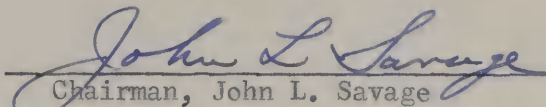
	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Av. Sal.</u>	<u>Benefit</u>
1. Florence Pascoe	Mineral	15 6/9	16 6/9	\$4,250.00	\$135.97
2. Anne English	Silver Bow	19	18	5,414.89	210.06
3. J. M. Hindle	Vested Rights	14	8	1,883.00	
4. Vera Plant	Stillwater		10	4,639.66	
5. Maeryta Minard (Apr.)	Vested Rights		19½	5,015.00	
6. Stella Cortese (June)	Vested Rights	16	12	3,125.00	
7. Louise St. John (July)	Flathead	3	26	3,925.00	

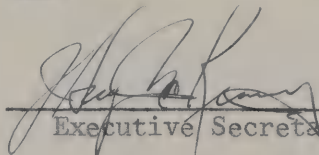
Mrs. Muriel Waters' application for survivor's benefit, on Mr. C. W. Water's account, was approved on a motion by Mr. Hayes and a second by Mr. Gleason.

Mrs. Rita Strizich's application for survivor's benefit on the account of Joseph Strizich was approved, pending the beneficiary assignment to be forwarded by the attorney general's office, on a motion by Mr. Hayes and a second by Mr. Gleason.

The next meeting was set for 10:00 a.m., Saturday, June 4, 1960.

The meeting adjourned at 12:10 on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny



EXECUTIVE SECRETARY'S REPORT

March 5, 1960

As you may have noticed from the last two Financial Statements, I have not carried a balance in the In Transit account on the Assets and Liabilities Statement. Instead of holding all the warrants received during the month and then sending them to the county treasurers for payment, I have begun to send each voucher of warrants directly to the bank. This enables us to put our cash to work sooner and will soon clear our registered warrant account. Registered warrants are too expensive for us to handle and the interest rate on them is the lowest we earn.

Our patience in waiting for the end of the strike has paid off on our delinquent mortgages in Anaconda. Both the Smet and Larsen loans are now current. Our only delinquent loan is again the Crosmer loan in Roundup which we have through the Union Bank. The bank is now trying to buy the judgments against it so that it can be turned over to the VA. If that fails, the bank will buy back the mortgage from us.

We still are receiving large offerings of mortgage paper. The offerings we purchased since the last meeting were from the Montana Bank, The Great Falls National Bank, Streeter Brothers and the Union Bank. We are receiving 5 per cent discount on the $5\frac{1}{4}$'s and 3 per cent on the $5\frac{3}{4}$'s. During the quarter we also purchased \$65,000 Carbon Co., Dist. #1 Bonds at 4.30; \$57,000 Richland Co. Dist. #7 Bonds at 4.40; \$36,000 Madison Co. Dist. #5 Bonds at 4.50. The Madison Bonds were the first of the group purchased. We also had \$100,000 Government Bonds mature which were put into short-term (five year) notes at 4.78 and 4.74. Our percentages are now:

Mortgages	44%
Governments	32%
Montana Municipals	24%

Government Bond prices steadily strengthened through the last quarter but have fallen off rapidly the last three weeks. Long-term bonds now net about 4.30.

Our work during the last quarter has been up-to-date and we have not lost too much time to influenza. Our posting is up-to-date. We have informed all teachers over seventy (and the districts that employ them) that they are not eligible to teach next term. There are not as many eligible for retirement as there were last year. The calculation of the interest to be posted to the individual accounts is nearly completed and should be done by the middle of March.

I met with the Retirement Committee of the MEA early in January. I informed them then that if we couldn't get a written opinion from the Attorney General on Korean service that it was our intention to attempt to amend the

law in the next legislative session. The Committee was still in favor of removing the salary ceiling and also of liberalizing the investment program.

Since July 1, 1959, the raising of the minimum retirement benefit has increased the retirement payments \$31,228.59. The $\frac{1}{4}\%$ (.25%) increase has increased our income \$57,428.44 for an excess of \$26,000 to date. The first month's increase under HB 167 was \$4,037.13. This has now been lowered by deaths to \$3,825.38. Through February the increase in the salary ceiling has resulted in an increase in teacher payments of \$100,000 over receipts last year.

The first part of January I did individual interviews with teachers in Deer Lodge and I spoke to the teachers in Billings February 23. On March 17 I speak in Sidney.

RETIREMENT BOARD MEETING

June 4, 1960

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. John Savage. In attendance were board members Mrs. Jasper, Miss Miller, Mr. Gleason and Mr. Hayes. Also present were the Actuary, Mr. Young, and the Executive Secretary, Mr. McKinny.

The minutes having been in the hands of the members prior to the meeting were approved on proper motion and second. The Secretary presented his Quarterly Report and reviewed the Financial Reports which were ordered filed.

The following third quarter retirement and office payrolls were approved, subject to additions later in the agenda, following a motion by Mr. Gleason and a second by Miss Miller:

Pension approximately \$ 99,300.00 per month
Office approximately 2,700.00 per month

The Board then reviewed business remaining from past meetings and considered legislation. Having already approved legislation for removal of the salary ceiling, the Board considered credit for Korean service. On a motion by Miss Miller and a second by Mr. Hayes the Board decided to amend the law to cover the specific dates as allowed under the Korean Bonus Act.

The Board next considered the new business at hand and instructed the Secretary, on a motion by Mr. Gleason and a second by Miss Miller, to proceed to secure the proper signatures on the Servicing Agreements with the following servicing agencies:

1. Richland National Bank, Sidney, Montana
2. Empire Savings and Loan, Bozeman, Montana
3. The First National Bank of Libby

The Board next considered the request of Mr. U. A. Cooper, Superintendent of Schools at Hays, to consider the value of a furnished house at \$60 per month to increase his annual salary for retirement purposes. After a complete discussion of the matter, the Board felt it was unable to place a value on living quarters and Mr. Gleason moved that the local school board should set the value of the living quarters furnished by the district and pay the normal contribution on the value subject to review by the Retirement Board. Mr. Hayes seconded the motion. Miss Miller moved to amend the motion to retain a minimum value of \$50 per month on each teacherage or furnished living quarters. Mr. Hayes seconded the motion. Both motions were approved unanimously.

The Board then considered the purchase of the following office equipment as suggested by the Secretary:

1. Gestetner Duplicator	\$ 750.00	
less trade-in	<u>125.00</u>	\$ 625.00
2. Underwood Electric Typewriter	\$ 378.50	
less trade-in	<u>200.00</u>	\$ 178.50
3. 1 5-drawer legal size Super-Filer	\$ 189.50	\$ 189.50

The following operational budget for 1960-61 was next considered by the Board:

	<u>1960-61</u>
Rent	\$ 1,026.00
Postage	1,150.00
Board Meetings	750.00
Travel	1,600.00
Salary	31,392.00
PERS	1,900.00
Supplies	1,500.00
Maintenance	1,600.00
Actuary's Examination	<u>3,300.00</u>
	\$ 44,218.00

The budget was approved on a motion by Mrs. Jasper and a second by Mr. Gleason.

The following increases in the salaries of the office staff, as proposed by the Secretary, were approved with the increase in Miss McKenna's salary to be left to the judgment of the Secretary, following a motion by Miss Miller and a second by Mr. Hayes:

Thomas Schneider	\$ 400.00 to \$ 425.00
Jessie McKenna	340.00 to 350.00
Elsie Wilcox	323.33 to 333.33
Dorris Morris	182.50 to 187.50
Naomi Didriksen	275.00 to 290.00

Mrs. Verna George's application for survivor's allowance on the account of Eva Sutherland was considered. The application was approved on a motion by Miss Miller and a second by Mr. Hayes.

Mr. Raymond Gerber's application for retirement was approved following a motion by Miss Miller and a second by Mr. Hayes.

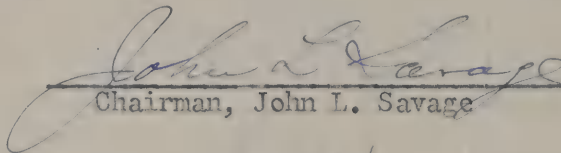
The following applications for retirement benefit were approved on a motion by Miss Miller and a second by Mrs. Jasper:

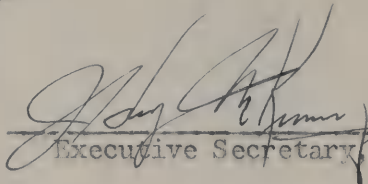
	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>CS</u>	<u>Av. Sal.</u>	<u>Benefit</u>
1. Baxter, Ruth K.	Silver Bow	22 6/9	23	45 6/9	\$ 5,414.88	\$ 234.09
2. Bohan, Minnie A.	Flathead	27 $\frac{1}{2}$	13	40 $\frac{1}{2}$	4,320.00	177.32
3. Braithwaite, Eva G.	Musselshell	19 2/3	21	40 $\frac{2}{3}$	4,426.66	167.49
4. Brown, Eliza A.	Lake	22 $\frac{1}{3}$	6	28 $\frac{1}{3}$	3,361.00	105.88
5. Carpenter, Estelle M.	Ravalli	17	23	40	3,869.33	126.07 Opt.3
6. Chamison, Goldie	Silver Bow	29	13	42	6,000.00	289.51 Opt.2
7. Downs, Mary E.	Powell		14	14	3,270.00	40.93
8. Forester, Gladys A.	Beaverhead	13	23	36	5,120.00	169.69 Opt.2
9. Fox, Edith B.	Lake	20	23	43	5,400.00	215.59
10. Hagie, Ila Grace	Flathead	12 $\frac{2}{3}$	19	31 $\frac{2}{3}$	5,725.00	173.93
11. Holmes, Lena M.	Meagher	9 $\frac{1}{2}$	17	26 $\frac{1}{2}$	3,976.66	100.96
12. Larson, Anne M.	Custer		22	22	5,063.33	91.63
13. Lyden, Anna Marguerite	Silver Bow	18	23	41	5,370.12	206.10
14. McIlroy, Maud B.	Lake	2 7/9	21 7/9	24 5/9	3,245.00	81.83
15. Maris, Althea V.	Musselshell	12 $\frac{1}{3}$	9 $\frac{1}{3}$	21 $\frac{2}{3}$	5,093.34	117.39
16. MacDonald, Mabel	Cascade	16 $\frac{1}{2}$	22 $\frac{1}{3}$	39	6,000.00	221.55
17. McNair, Inez M.	Gallatin	5	20 $\frac{1}{2}$	25 $\frac{1}{2}$	5,493.00	120.15
18. St. John, Louise	Flathead	3	26	29	3,925.00	95.93
19. Teague, Herma E.	Chouteau	1	18	19	4,386.16	72.23
20. Van Hise, Mabel B.	Yellowstone	10	19	29	5,753.33	157.38
21. Nontell, Carrie T.	Park	16	23	39	5,620.00	205.36
22. Rich, Janet P.	Garfield	17 $\frac{1}{2}$	21	39 $\frac{1}{2}$	4,333.33	157.32
23. Van Vorous, Gladys	Pondera	8	21	29	5,200.00	139.03
24. Hanna, Leo A.	Custer		22	22	5,458.33	102.21
25. Geiser, Ester S.	Richland	17	22	37	3,841.67	140.34 Opt.2
26. Kentta, Mayme S.	Cascade	20	23	43	6,000.00	241.49 Opt.2
27. Melton, Agnes	Missoula	16	13	29	3,553.33	110.69
28. Fifield, Mae	Custer	23	23	46	5,320.00	219.69
29. Chatham, Marguerite	Silver Bow	21	23	44	4,896.00	201.76
30. Crumpacker, Ruth	Richland	18 $\frac{1}{2}$	17	35 $\frac{1}{2}$	3,966.00	144.95
31. Cadby, Edith	Gallatin	3	16	19	3,615.00	59.10
32. Rodgers, Martha	Silver Bow	20	18	38	5,103.73	206.07
33. Denton, Maysel	Custer	13 $\frac{1}{2}$	19	32 $\frac{1}{2}$	3,063.34	99.55
34. Nelson, Ellen	Dawson	18 $\frac{1}{2}$	6	24 $\frac{1}{2}$	2,508.33	68.14
35. Ogren, Ragnar L.	Jefferson	13	23	36	5,457.00	194.23 Opt.2
36. Zeits, Golda	Flathead	5	7	12	3,266.66	42.70
37. Olson, Ina Seeley	Custer	10	23	33	5,930.00	170.83
38. Rumney, Luella	Cascade	2 $\frac{1}{2}$	10	12 $\frac{1}{2}$	3,737.00	54.95
39. Engstrom, Agnes	Flathead		16	16	3,868.33	72.80
40. Dyer, Mae	Flathead	20 $\frac{1}{2}$	16 $\frac{2}{3}$	37 2/9	3,466.66	127.74
41. Carrell, Esther	Park	12	9 $\frac{1}{2}$	21 $\frac{1}{2}$	3,591.00	86.70
42. Cox, Sam	St. College	23	23	46	6,000.00	216.70
43. Harrington, Marjorie	Silver Bow	22	13 $\frac{1}{2}$	35 $\frac{1}{2}$	4,945.00	185.19
44. Hyde, Laura	Gallatin	13 $\frac{1}{2}$	5	18 $\frac{1}{2}$	2,550.00	57.13
45. Kadlec, A. L.	University	13	16	29	5,000.00	113.26 Opt.3
46. McRoberts, Irene	Blaine	15	13 $\frac{1}{2}$	28 $\frac{1}{2}$	3,893.33	119.45
47. Matill, Charles	University	23	24 $\frac{1}{2}$	47 $\frac{1}{2}$	6,000.00	191.72 Opt.5
48. Miller, J. E.	University	13	23 $\frac{1}{2}$	36 $\frac{1}{2}$	6,000.00	245.17
49. Reichel, Florence	Cascade	18 $\frac{2}{3}$	16 $\frac{1}{3}$	35	3,933.33	144.69
50. Styer, Caroline	Roosevelt	15 6/9	19 3/9	35	4,778.00	184.25
51. Worthingham, Elma	Lewis & Clk.	20	18	38	5,653.34	221.70 Opt.2
52. Worthingham, Fern	" " "	18	20	38	5,603.34	215.83 Opt.2
53. Meuli, Froeda N.	Garfield	4 $\frac{1}{2}$	16	20 $\frac{1}{2}$	3,416.67	65.67

The Board then considered the adjustment of the Secretary's annual salary. Miss Miller moved the salary be increased to \$8,000 per year and Mr. Hayes seconded the motion which was unanimously approved.

The next meeting was set for 10:00 a.m., Saturday, September 17, 1960.

The meeting adjourned at 11:50 on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT

June 4, 1960

There haven't been nearly as many people applying for their retirement benefits this year. I have sent out about 55 applications and, as of now, have received about half that many signed applications in return. We will, of course, receive more of them but I don't expect a grand total of over 45. This is quite a few less than last year at the end of July. I think the cause of the drop in applicants is the large number we retired during the school term. Including applications for survivor's benefits and disability we added about 62 people to the retirement rolls since July 31 last year. To the 1st of June we have had 46 deaths and 8 teachers returned to teaching for a net increase of 8 retirement checks throughout this year.

I haven't averaged the benefits for this year because I didn't have enough applications for accuracy. Our largest benefit will be \$289.51 to a retiring Butte principal.

Work in the office this past quarter has proceeded very smoothly. We have had but little illness and the posting has been up-to-date all the time. Interest calculations and totals were completed in March and all of our history records have been brought up-to-date.

On the agenda I have requested the purchase of a new duplicator. The A B Dick mimeograph machine was nine years old and although it functioned properly it was a very dirty machine. I requested a new electric typewriter and will trade another for it which is four years old. The legal size file will be used to store mortgage papers.

During the quarter the following Municipal Bonds were purchased:

	<u>Interest</u>	<u>Amount</u>
Richland Co. S. D. #2	4.40	\$ 57,000.00
Livingston Sewer Bonds	4.35	49,000.00
Richland Co. S. D. #1	4.25	49,000.00
Madison Co., S. D. #5	4.50	36,000.00

We are also committed to purchase the following:

Red Lodge S. D. #1	4.30	\$ 140,000.00
Lincoln Co. S. D. #4	4.3 - 4.4	78,000.00
Beaverhead Co. S. D. #10	4.3 - 4.4	30,000.00
Ravalli Co. S. D. #2	4.25	79,200.00
Whitehall Sewer Bonds	4.50	28,000.00
Sheridan Co. S. D. #20	4.25	152,300.00
Sanders Co. S. D. #10	4.25 - 4.30	65,000.00

The government bond market has fluctuated through the past quarter with long-terms earning less than 4.2 most of the time. Government prices, of course, control the price of Montana municipals.

We also purchased the following mortgage paper offerings:

Montana Bank, Great Falls	$5\frac{1}{4}$	95-96	\$ 219,000.00
Daly Bank, Anaconda	$5\frac{1}{4}$	94	60,000.00
Exchange State Bank, Glendive	$5\frac{1}{4}$	95	109,000.00
Union Bank & Trust Co., Helena	$5\frac{1}{4} - 5\frac{3}{4}$	$94\frac{1}{2} - 95\frac{1}{2}$	75,000.00
First Nat'l Bank of Glasgow	$5\frac{1}{4} - 5\frac{3}{4}$	95-97	150,000.00

From all indications mortgage money is loosening and our discounts in the future may not be as high.

You may recall that during the year Dr. Shallenberger requested permission to continue to do research at the University with money from a private source. This money would be paid to the University and the University would pay Dr. Shallenberger. In all similar cases at the University the member belongs to The Teachers Retirement System and money is withheld on his behalf.

RETIREMENT BOARD MEETING
September 24, 1960

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. John Savage. In attendance were Mrs. Jasper, Mr. Hayes, Mr. Gleason, the actuary--Mr. Young and the Executive Secretary--Mr. McKinny. Mr. McKinny reported that Miss Miller was sorry she could not attend but that she was dedicating a new school in Gildford.

The minutes of the June meeting having been in the hands of the members prior to the meeting were approved on proper motion and second.

The Secretary presented his quarterly report on the affairs of the office and outlined the Biennial Report to the legislature. The Report was accepted and ordered placed on file.

The Board then considered the retirement and office payrolls and Mr. Gleason moved the payment of approximately \$109,200 per month for the retirement payroll and approximately \$2,670 per month for the office payroll for the fourth quarter. Mr. Hayes seconded the motion which was approved.

The Board next considered the new business at hand. First on the agenda was a request from the Treasure State Fire & Casualty Insurance Co. to accept their policies on property on which we hold the first mortgage. After considerable discussion Mr. Gleason moved that their policies be acceptable providing each policy issued would be 100 per cent reinsured by one or more acceptable reinsurance companies. Mr. Hayes seconded the motion which was approved.

On a motion by Mrs. Jasper and a second by Mr. Hayes the Secretary was instructed to secure permission from the Montana Historical Society and proceed to destroy the remittance sheets received during 1949-50.

The Board next considered Mr. McKinny's request to attend the National Council on Teacher Retirement Convention in Phoenix October 4-8. Mr. Hayes moved that permission be granted. Mr. Gleason seconded the motion which was approved.

Mr. Gleason then moved that the Secretary be given permission to purchase a new Sign-O-Meter from The Hedman Co. to replace our present model which was eight years old and had been jammed by improperly inserting a signature plate. Mrs. Jasper seconded the motion which was approved.

The Board then considered the possible future legislation and after considerable discussion on investments it was decided to forego any decisions pending the report of the legislative council.

The Board next considered the application for survivor's benefits by Robert Kornblum on his mother's (Anna Kornblum) account. Mr. Hayes moved the approval and Mr. Gleason seconded the motion which was approved. The following disability applications were unanimously approved on a motion by

Mrs. Jasper and seconded by Mr. Hayes:

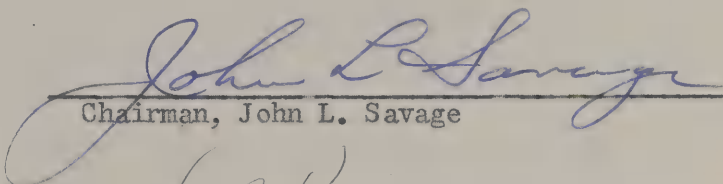
1. Hilda Christensen (eyesight)	Sheridan County Average salary \$3,630.00 13 yrs. membership service monthly benefit 75.62
2. Marie Cox (leukemia)	Gallatin County Average salary \$3,671.66 14 yrs. membership service monthly benefit 76.49
3. Louise Kubitza (heart disease)	Hill County 13½ yrs. membership service average salary \$3,670.00 monthly benefit 76.46

The following applications for retirement benefit were approved on a motion by Mr. Gleason and seconded by Mrs. Jasper:

	<u>County</u>	<u>CS</u>	<u>PS</u>	<u>Av. Sal.</u>	<u>Benefit</u>	
1. Earl Fahland	Vested Right	25	11	\$ 2,876.67	\$77.21	Opt. #2
2. Hazel Seitz	Missoula	11 7/9	2 5/9	3,916.67	43.79	
3. Russel Neal	Missoula	36	18	6,000.00	173.85	Opt. #5
4. Rosabel Morrison	Lewis & Clk.	13½	5	3,916.67	49.94	Opt. #2
5. Florence Garrow	Lewis & Clk.	26½	18½	3,950.00	114.79	
6. Lydia Carpenter	Powell	23	8½	3,323.33	75.85	
7. Jessie Evans	Teton	35	22 7/9	5,300.00	206.64	
8. Louis H. Ratzlaff	Yellowstone	13 7/9		6,000.00	71.13	
9. A. T. Jenkins	Lincoln	20½	12½	4,575.00	99.69	
10. Levonnie Sperry	Broadwater	24½	8½	4,346.67	102.00	
11. Marie Nisson	Vested Right	19	10½	2,873.33	57.80	
12. Thelma Hamilton	Vested Right	27½	15	4,133.33	116.99	
13. Elvira Smith	Vested Right	12½	2	4,301.66	53.59	
14. Anna Christensen	Richland	26	6	3,465.00	81.35	
15. R. L. Ogren	Jefferson	36	13	5,768.66	194.23	Opt. #2
16. Elizabeth M. Puhr	Fallon	11		3,180.00	31.08	Opt. #2
17. Rose Robertson	Flathead	18	13	3,065.33	60.43	
18. W. J. Bierrum	Beaverhead	38	15	5,000.00	186.21	
19. Myrtice Powell	Glacier	21¼	4	4,516.67	90.07	
20. Beatrice Brennan	Missoula	33	15	5,340.00	173.09	
21. Gladys Waltermier	Vested Right	20½	6	3,573.33	67.93	
22. Kathryn Lewis	Vested Right	32	17	4,053.33	133.73	
23. Abigail Laughery	Vested Right	30	17	2,433.33	75.92	
24. Pearl Bird	Sheridan	16	7	3,850.00	63.12	
25. Merle Albrecht	Custer	35	19 2/9	3,480.00	129.08	
26. Zelda Bilbro	Vested Right	29 2/9	15 2/9	3,731.67	110.20	
27. Mary Wambach	Meagher	18½	1½	3,925.00	63.04	
28. Dora Reese	Eastern College	21½		6,000.00	109.18	
29. K. W. Bergan	St. Dept.	40	22	6,000.00	253.33	Opt. #4

The Board next considered organization for 1960-61. Mr. Gleason moved the nomination of Mr. Savage to again be Chairman and Mr. Hayes seconded the motion. Mr. Savage was unanimously elected. Mr. Hayes then moved that Miss Miller be again elected as Vice-Chairman. Mr. Gleason seconded and the motion was unanimously approved.

The next Board meeting was set for December 3, 1960, at 10:00 a.m. and the meeting adjourned at 11:45 on proper motion and second.



Chairman, John L. Savage



Executive Secretary, J. Hugh McKinny

Executive Secretary's Report

September 24, 1960

Since the 1st of July we have had 84 teachers retire--three of these on disability. Of the 84, only 11 were men. The average age was 64.1 for men and 64.8 for women. The average salary was \$4,547 which is about \$200 more than usual. The average number of years was $29\frac{1}{4}$ and the average check was \$136.71. The monthly payroll is now \$110,000 which gives an average of \$103.90 per check on the 1,059 retired.

Investments this past quarter have been limited to picking up our committed Montana municipals. Since the 1st of July we have paid for:

\$ 39,000.00	Glendive Sewer Bonds	@ 4.05
186,100.00	Sheridan Co., S. D. #20	@ 4.25
34,000.00	Ravalli Co., S. D. #2	@ 4.25
28,000.00	Whitehall Sewer Bonds	@ 4.20
10,000.00	Sanders Co. S. D. #10	@ 4.25

We still have \$79,200 Ravalli Co., S. D. #2 Bonds @ 4.25 and \$22,000 Sanders Co. Bonds @ 3.90 to be delivered. These bonds were all purchased from the Minneapolis Syndicate of Kalman & Co., J. M. Dain & Co. and Piper, Jaffray & Hopwood. A new firm has entered the Montana picture this year and by syndicating with Denver firms they are now competing with Minneapolis firms for bonds. The company is D. M. Davidson. From them we have purchased \$112,000 Lincoln Co., S. D. #13 Bonds @ 3.85. This is quite a drop in yield from the other issues. It is caused by competitive bidding and the drop in government bond yields. Because of the drop in government yields we sold \$110,000 in government short term notes at a profit of \$6,135.84.

We still are able to get mortgage paper anywhere in the state. The discounts on 5 $\frac{3}{4}$'s are holding steady at 3 to 4 per cent. I thought, in view of the easing of money rates, that the discount would drop but apparently it is not the case as yet.

You should have received a copy of the bank examiner's report. They came early in July and finished up right away. Last year, you may recall, they didn't complete the work until November.

The teacher lists are now coming in and we're again finding out who's who and who's where. We have about half the counties completed but most of them are the smaller counties so that we're far from being half done.

I'm now in the process of arranging personal interviews with the teachers in Glasgow, Kalispell and Lewistown. Tom and I will attend the teachers' conventions. I have a section at the convention in Billings.

Convention,
National Council on Teacher Retirement

October 4-8, 1960

This year the convention was held at the Camelback Inn just outside of Scottsdale, Arizona. The accommodations were about as nice as you could imagine. We were very fortunate to get special rates as this was truly an exclusive 'Oasis' in the desert.

Because of the location and the advanced advertizing this was the largest of all the meetings I have ever attended. The only sad part was the unseasonal heat. The temperature was around 100° all the time we were there.

There was more local chamber of commerce promotion than usual. This, of course, is a great retired person area and so they worked pretty diligently on our group. As part of our program we toured one of the retirement cities which Arizona is promoting. The development was called Sun City and was a very interesting town. It was built around a golf course. For those who didn't play golf there was a large recreational center featuring many hobbies and handicrafts. They also had a complete one-stop shopping center. Houses sold from \$8,500 to \$14,500.

The convention this year featured sessions on fringe benefits, legislation, reciprocity, investments and a general buzz session on administration.

The convention was a bit heavy on panel discussions, which although they can be very good, always seem to miss. They turn out to be four or five short talks with all parties saying the same thing and this doesn't lead to much discussion. The only real discussion followed the session on fringe benefits. Most retirement people feel that some pre and post retirement counseling is necessary but the argument arises over loans to members, death benefits, and health and hospital insurance.

On the matter of reciprocity I learned that several states are now giving vested rights with five years of service. In this way they hope to solve the problem of out-of-state service credit. They feel that if all states vest after five years there would really be no need for reciprocity between systems.

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In the buzz sessions I found out that some states the retirement systems do not recognize a power of attorney because the retirement systems, like ours, prohibit attachments and garnishments of funds. It might be that we should ask the attorney general his opinion on this point in case it ever comes up again in Montana.

The session on investments again pointed out the increasing number of states that are diversifying their investments. They, of course, also point out

their increased interest earnings. However, most of them do not have a net yield as high as we do but they are mostly older and much larger systems and it will take some years to show their true gain.

RETIREMENT BOARD MEETING
December 3, 1960

The meeting was called to order at 10:00 a.m., December 3, 1960, by the chairman, Mr. Savage. In attendance were Mrs. Jasper, Mr. Gleason, Mr. Hayes and the actuary--Mr. Young and the Executive Secretary--Mr. McKinny. Mr. McKinny reported that Miss Miller would be unable to be present as she was attending the Pacific National Assembly in Portland.

The Executive Secretary then presented his work report and reviewed the November 30 Financial Statement. Both reports were accepted and ordered placed on file.

Mrs. Jasper moved the approval of the pension payroll for the first quarter of 1961 and also the office payroll for the same period--the monthly pension payroll to be approximately \$109,890 and the monthly office payroll approximately \$2,660. Mr. Gleason seconded the motion which was approved.

The Board then considered the setting of the interest rates for 1961-62. After a short discussion and with the approval of the actuary, Mr. Hayes moved the reapproval of Resolution #34 retaining the interest rate at $3\frac{1}{2}$ per cent. Mrs. Jasper seconded the motion which was approved.

The Board next considered the Biennial Report to the governor and the legislature. It was approved on proper motion and second.

With the legislative session in the offing, the Board then considered possible legislation. It reaffirmed its position on the removal of the salary ceiling. A thorough discussion of the investment program followed and it was agreed that no attempt would be made to change the investment law at this time because of the high earnings on mortgage paper. The Board agreed, on proper motion and second, to increase the present percentage in mortgage paper to 50 per cent which is the maximum the law permits.

On a motion by Mr. Gleason and a second by Mrs. Jasper the Board approved the application of Fanny Wright for survivor's benefits on her husband's (Edward K. Wright) account.

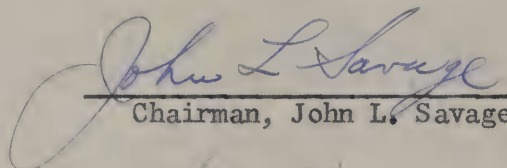
Mr. Hayes moved the approval of the following disability allowances and Mrs. Jasper seconded the motion which was approved:

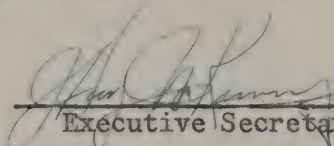
- | | |
|--------------------------------------|---|
| 1. Herbert Goetz
(Mental illness) | Madison County
Service - 28 yrs.
Salary - \$5,666.67
Age 47
Benefit - \$170.00 |
| 2. Conrad Sandvig
(Heart disease) | Vested Right
Service - 24 yrs.
Salary - \$4,720.00
Ages - 52 & 42
Benefit - \$70.66 per month - Opt. #3 |

The following applications for retirement allowance were approved on a motion by Mr. Gleason and a second by Mrs. Jasper:

	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Av. Salary</u>	<u>Benefit</u>
1. Clara Fleming	Lincoln	1	16	\$ 3,545.00	\$ 56.36
2. Vernon Hintzman	Madison	11	20 $\frac{1}{2}$	5,733.33	117.22 Opt.#3
3. Bessie Stevens	Big Horn	16	15	4,344.00	135.10
4. Mary Johnston	Lewis & Clk.		15	3,480.00	46.10
5. Minnie Kruse	Vested Rt.	14	9	1,515.00	37.61
6. Gracia Grindy	Fergus	8	5	2,910.00	45.97
7. Violet Sweeney	Vested Rt.	7	9 $\frac{1}{3}$	2,543.33	42.02
8. Fern Mayo	Silver Bow	18 $\frac{1}{2}$	16 $\frac{1}{2}$	5,775.50	197.66
9. Ralph Scudder	Vested Rt.	16	9	4,554.00	89.64 Opt.#5

The next meeting was set for Saturday morning at ten o'clock, March 18.
The meeting adjourned at 11:40 on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT

December 3, 1960

In spite of the four days off in November our daily work load is not in too bad shape. The posting is one voucher behind but this should catch up in December. All the teachers lists were completed by the first of November so now we have all the teachers located.

In October I hired Jack Van Meter to work on a part-time basis to help with the posting. He is from Billings and is a student at Carroll. I am paying him \$1.55 per hour which is the same amount I have been paying the part-time help for three years now.

The Legislative Council has not published its final report but from what I can find out there is no reference to The Teachers' Retirement System. As far as investments are concerned they are not making any recommendations. They are, however, pointing out what other states are doing and indicating how the law may be amended if the next legislature should want to amend that portion of the law. In the words of one of the employees—"mainly, they danced all around the issue!"

During the last quarter we have purchased the following Montana municipal bonds:

Mineral County, S. D. #3	@ 3.9	\$ 60,000.00
Lincoln Co. High School	@ 3.85	160,000.00
Sanders Co., S. D. #10	@ 3.9	22,000.00
Glendive Water Bonds	@ 4.05	39,000.00
Beaverhead Co. H. S.	@ 4.00	100,000.00
Ravalli Co., S. D. #2	@ 4.25	79,200.00
Philipsburg Sewer Bonds	@ 4.00	24,500.00

We have also committed to buy \$164,000 Poplar High School Bonds at 4 per cent.

For many years only three Minneapolis firms bought and sold Montana municipals. These firms were Kalman & Co., Piper, Jaffray & Hopwood and J. M. Dain & Co.. This year a Denver firm, Hoegel & Co., and another Minneapolis firm, Jurand & Moody, have entered Montana. The Denver firm operates through D. M. Davidson Co., a Montana firm. This competition brought our yield down on some of the issues. The Lincoln County issue was purchased from Davidson. The Philipsburg issue was purchased from Jurand & Moody. The Poplar issue was a syndicate bid to keep the price at 4 per cent. We are still purchasing every Montana municipal available for they continue to be over government bond prices.

The only mortgage paper purchased was from the Montana Bank of Great Falls. The total purchase was \$140,639.29. This consisted of \$79,000 of 5 $\frac{1}{4}$'s at 6 per cent discount and \$61,000 5 $\frac{3}{4}$'s at 3 per cent discount.

I don't remember when I have done as much traveling as I have in the last two months. In addition to my trip to Arizona, I traveled to Kalispell September 15, Billings September 30, Teachers' Conventions in Wolf Point and Billings October 24-29, Cascade November 15, Billings again November 21 and Havre November 28. I have to speak in Great Falls Monday and in Roundup, Wednesday and will speak in Butte and Three Forks the first part of January.

RETIREMENT BOARD MEETING

March 18, 1961

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. John Savage. In attendance were members Miss Miller, Mrs. Jasper, Mr. Gleason and Mr. Hayes. Mr. Young the Actuary and Mr. McKinny the Executive Secretary were also present.

The minutes of the December meeting having been in the hands of the members prior to the meeting, were approved on proper motion and second.

The Secretary presented his quarterly report which was ordered placed on file. The Secretary also reviewed the monthly financial statement and the annual report of the National Council on Teacher Retirement.

The approximate payrolls (retirement, \$110,050 and office, \$2,680) for the 2nd quarter of 1961 were approved on a motion by Mr. Hayes and a second by Mrs. Jasper.

Moving on to new business, the Board then considered the need for investigating the continued disability of those disability retirants under age sixty and also the physical condition of those teachers who retired before 1937. Mr. Gleason moved that the investigation be made. Miss Miller seconded and the motion carried.

In order to prevent the 10-year dormant accounts from possibly escheating to the state, the Board transferred the following accounts to the Pension Fund with the full understanding that the teachers could withdraw their accounts at any time. Miss Miller made the original motion seconded by Mr. Gleason.

Axvig, Kenneth George	\$ 9.02
Courtright, Thelma L. (Mrs. J. A.)	341.92
Elliott, Louise A. (Mrs. W. Jr.)	27.48
Ginter, John Paul	127.19
Kelly, James	151.08
Merel, Mrs. Emile J. (Lenore Bancroft)	291.09
Peck, James	45.52
Ripley, Lura Joyce	41.37
Robertson, Ruby	24.87
Smith, Annabel	39.38
Thompson, Elaine	36.40
Tillman, Mrs. George (Gerda)	233.80
Tschantz, Eloise A.	30.02
Vetter, Frank O.	16.15
Wartman, W. F.	26.45
	\$ 1,441.74

The Board then considered the possibility of investing funds on a FHA mortgage basis in Hillcrest Homes—a retirement home project in Bozeman. Since construction was still in the planning stages and full information was not available, the Board delayed further action.

The Board next considered the following applications for survivor's benefits:

- | | |
|---------------------------|---|
| 1. Helen Elnes (age 56) | Survivor of Conrad Elnes (age 60)
15 yrs. creditable service
average salary \$5,133.33
benefit - approx. \$44.60 |
| 2. Mabel Cormany (age 70) | Survivor of Viola Wipplinger (age 43)
14 yrs. creditable service
average salary \$4,326.67
benefit - approx. \$35.63 |
| 3. Sidney Tippet (age 63) | Survivor of Edna Tippet (age 58)
18 yrs. creditable service
average salary \$3,710.00
benefit \$63.08 |
| 4. Almont Rothie (age 79) | Survivor of Rubie Rothie (age 62)
32 yrs. creditable service
average salary \$3,382.66
benefit - approx. \$ 203.10 |

They were approved unanimously on a motion by Miss Miller and a second by Mr. Hayes.

The following applications for retirement benefit were unanimously approved on a motion by Miss Miller and a second by Mrs. Jasper:

	<u>Age</u>	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Average Sal.</u>	<u>Benefit</u>	<u>Added</u>
1. Mertes Robinson	62	Carbon	4	6	\$ 3,316.67	\$ 31.67	Dec. '60
2. John Freed	66	Garfield		11	3,285.00	35.03	Jan. '61
3. Violette Israel	60	Vested Rt.	11 1/9	13 4/9	3,589.67	84.45	Jan. '61
4. Dorothy Green	70	University	9	23 1/2	6,000.00	186.48	Jan. '61
5. Margaret Hannon	66	Lake	1 1/2	28 1/2	4,407.00	106.99	Jan. '61
6. Lucy Leigh	60	Vested Rt.	3 5/9	12 7/9	4,116.67	59.94	March '61
7. Bessie McClelland	62	Vested Rt.	9	12	4,333.33	91.70	April '61
8. Violette Loveless	60	Vested Rt.	4	9	1,983.33	24.98	May '61

Mr. Gleason moved the next meeting be held May 27 at 10:00 a.m.. Miss Miller seconded the motion which carried.

The Meeting adjourned at 11:45 on proper motion and second.

John L. Savage
Chairman, John L. Savage

J. Hugh McKinny
Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT
March 18, 1961

In spite of the legislative session our work is up-to-date. All teacher contributions received before the 14th of March have been posted. The annual salaries have been noted on the account sheets and all the interest calculated and added. The new membership cards have been typed. The districts have been notified about the teachers who will have reached the compulsory retirement age before September 1. The districts that have been late in making their contributions have also been reminded to send in the payments. We are in very good shape for the start of our busiest quarter.

As you know, our bill didn't last very long in the legislature. I first attempted to have the bill introduced by the Chairman of the House Education Committee and after a run around for a week or so he told me he couldn't introduce it nor could he support it in any way. I then talked to Miss Miller and we decided we had to go ahead and get it introduced in the Senate. The bill was killed in committee and the reason given was the additional cost to the University system.

We have a delinquent mortgage with Streeter Bros. that has about reached the foreclosure stage. The owner is an attorney, Lee Overfelt. I am hoping that Streeter Bros. will buy the mortgage back before foreclosure begins.

During the past quarter the government bond market has been strengthening. This means a lower yield to us. This also causes the Montana municipal yield to lower. With the many bond companies in Montana now, and the lower yields in the offing, our bond yield for the future doesn't look too promising. The mortgage market has also strengthened but I hope it will improve with increased construction throughout the nation. Some large out-of-state companies have been buying paper here and have chased 5 3/4 FHA's down to almost par. It appears that 5 1/2's (the present rate) will command between 2 1/2 and 3 per cent discount.

We have purchased the following mortgages since the last meeting:

Exchange State Bank	\$ 149,289.02	5 3/4's & 5 1/2's	@ 95
Montana Bank	347,193.46	5 3/4's	@ 97
Great Falls National	103,876.87	5 3/4's	@ 97
Union Bank & Trust	173,440.20	5 3/4's	@ 96 1/2
Streeter Bros.	66,250.00	5 3/4's	@ 96

We also paid for the following Montana municipals:

Roosevelt Co. Sch. Dist. #9	\$43,000.00	@ 4.10	1973-74
Phillipsburg Sewer Bonds	24,500.00	@ 4.00	1975-80

We have also committed to purchase \$105,000 Harlowton school bonds at 3.85 with maturity dates from 1975-81.

Travel this past quarter was limited to a Saturday trip to Butte to do personal interviews and three days in Lewistown also doing interviews. While in Lewistown I contacted the Northwestern Bank and we should have another substantial offering of mortgage paper from them again.

RETIREMENT BOARD MEETING

May 27, 1961

The meeting was called to order at 10:10 a.m. by the Chairman, Mr. Savage. In attendance were Mrs. Jasper, Mr. Hayes, Mr. Gleason, the actuary---Mr. Young and the Executive Secretary---Mr. McKinny. The minutes, having been in the hands of the members prior to the meeting were approved on proper motion and second.

The Executive Secretary presented his report which was ordered placed on file.

The approximate payrolls for the third quarter (office, \$2,695 and retirement \$110,050) were approved on a motion by Mr. Gleason and a second by Mrs. Jasper.

Mr. McKinny reported that the investigation of the old System retirants and disability retirants was not complete but it should be complete by the next meeting.

The Board next considered the proposed monetary gift of Minnie Fullam and moved that the gift, when and if granted, be accepted. The Secretary was instructed to write Miss Fullam and thank her for her generosity, thoughtfulness and concern for her fellow retired teachers.

The Board then considered Juliet Gregory's petition that she be allowed to accept her retirement benefit from this System and be employed in a position covered by the Public Employees Retirement System. After a full discussion the Board agreed that the law permitted her to transfer her account to the Public Employees Retirement System but that it was not mandatory; she did not have to transfer. Following this, the Board ruled she could draw her teachers' retirement benefit while employed in a position covered by the Public Employees Retirement System.

After a complete discussion on Violette Loveless' request to change her retirement application to a disability application, the Board ruled that the law would not permit them to do so for even though Mrs. Loveless could have left teaching because of a disability, the nature of her disability did not in any way prevent her from applying for disability prior to age sixty. Since she is now age sixty she cannot apply for disability because the law does not allow disability benefits to anyone over age sixty.

On a motion by Mr. Hayes and a second by Mrs. Jasper, Servicing Agreements with the Big Horn County State Bank, The First National Park Bank of Livingston, Deer Lodge Bank and Trust Co. and The Commerce Bank & Trust Co. were unanimously approved.

Next the Board approved Mr. McKinny's request to petition the Historical Society for permission to destroy the remittance sheets received during 1950-51. Mrs. Jasper made the motion and Mr. Gleason the second.

The Board next reviewed the Expense Budget for 1961-62. After a complete explanation by Mr. McKinny, Mrs. Jasper moved the adoption of the budget. Mr. Hayes seconded the motion which was unanimously approved.

	<u>Estimate for 1960-61</u>	<u>Actual</u>	<u>Estimate for 1961-62</u>
Salaries	\$ 32,172.00	\$ 32,175.00	\$ 32,280.00
PERS	1,061.70	1,062.00	1,065.25
OASI	965.00	965.00	970.00
Rent	1,026.00	1,026.00	1,026.00
Postage	1,150.00	1,250.00	1,250.00
Travel	1,600.00	1,450.00	1,800.00
Board Expense	750.00	730.00	725.00
Supplies	1,600.00	2,200.00	1,300.00
Maintenance	<u>1,500.00</u>	<u>1,300.00</u>	<u>1,400.00</u>
	\$ 41,824.70	\$ 42,158.00	\$ 41,816.25

The proposed salary adjustments were approved along with a \$200 increase for Mr. McKinny which was unanimously approved on a motion by Mr. Gleason and a second by Mr. Hayes.

Thomas Schneider	\$425.00	--	\$450.00
Elsie Wilcox	333.33	--	345.00
Jessie McKenna	350.00	--	360.00
Dorris Morris	187.50	--	195.00
Naomi Didriksen	295.00	--	310.00

The Board approved the purchase of the following equipment on a motion by Mr. Gleason and a second by Mrs. Jasper.

1. Underwood Electric Typewriter	\$ 293.00	less trade-in
2. Conference Table	360.90	or \$242.25
3. Heathkit Intercom	50.00	
4. Remington Line-dex	210.00	
5. MM Co. Overhead Projector	395.00	with carry case & screen

The following interim applications for retirement were unanimously approved on a motion by Mr. Hayes and a second by Mr. Gleason:

	<u>County</u>	<u>PS</u>	<u>CS</u>	<u>Average Sal.</u>	<u>Benefit</u>
1. Josephine Erickson	Valley	14 1/9	36 1/9	\$ 5,250.00	\$ 173.76 Opt.2
2. Ruth Marble	Vested Right	16	31	3,358.33	106.11
3. Leora Bradshaw	Vested Right	11	20	2,000.00	44.36
4. Bessie Mordan	Vested Right	16	22	1,554.00	47.15 (minimum)

The applications of Mrs. Stobaugh and Miss Smith for survivor's benefits were unanimously approved following a motion by Mr. Gleason and a second by Mr. Hayes.

1. Minnie C. Stobaugh 51 Account of C. R. Stobaugh 61
Big Horn Co.
PS - 15 yrs. & CS -- 28 $\frac{1}{2}$ yrs.
Average salary \$5,350.00
2 minor children
Benefit \$177.50

2. Theo Smith 72 Account of Mabel Smith 68
Lewis & Clark Co.
PS - 26 yrs. & CS - 42 yrs.
Average salary \$4,716.67
Benefit \$218.92

Mr. Bue's application for disability was also approved on a motion by Mrs. Jasper and a second by Mr. Hayes.

1. O. J. Bue University
25 $\frac{1}{2}$ years service
(The benefits will be Average salary \$6,000.00
paid to Mrs. Bue be- Benefit \$98.07
ginning at the time of
Mr. Bue's death.)

The following applications for retirement benefits were unanimously approved following a motion by Mr. Gleason and a second by Mr. Hayes:

	<u>County</u>	<u>Age</u>	<u>PS</u>	<u>CS</u>	<u>Average Sal.</u>	<u>Benefit</u>	
1. Deeney, Signey	Sweet Grass	60	15	28	\$ 3,179.33	\$ 90.64	
2. Loveless, Alma	Vested Right	60	4	13	1,983.33	24.98	
3. Adelbert, Alma	Flathead	67	16	34	4,538.33	158.83	
4. Albertson, Genevieve	Western	70	24	38	6,000.00	248.82	Opt. 2
5. Anderson, Edna	Fergus	70	25	49	5,880.00	262.12	
6. Clark, Gertrude	Missoula	62	15	37	5,983.33	217.61	
7. Dick, Myrle	Yellowstone	62	8	25	3,933.33	93.63	
8. Drewiecke, Catherine	Daniels	60	13	30 1/3	4,766.67	141.47	
9. Drewiecke, Leo	Daniels	64	14	34 $\frac{1}{2}$	6,000.00	251.65	Opt. 2
10. Erickson, Ruby	St. Dept.	63	10	24	4,695.00	113.56	
11. Harbert, Dorris	Lake	64	12 $\frac{1}{2}$	35	4,513.33	153.68	
12. Hicks, Essa	Custer	69	18	35	4,610.00	176.67	
13. Hermann, Frank	Silver Bow	64	22	39	4,957.00	211.87	
14. Luebben, Helen	Western	67	17	35	5,800.00	211.88	
15. Manweiler, Ella	Blaine	65	14	35	5,613.33	193.83	
16. Preston, Josephine	Ravalli	62	12 $\frac{1}{2}$	24 $\frac{1}{2}$	3,400.00	85.92	
17. Price, Adelia	Yellowstone	62	16	38	6,000.00	223.98	
18. Reardon, Lauretta	Fergus	61	10	29	5,631.67	155.88	
19. Redding, Joyce	Ravalli	61	16	36	3,965.00	141.81	

		<u>County</u>	<u>Age</u>	<u>PS</u>	<u>CS</u>	<u>Average Sal.</u>	<u>Benefit</u>	
20.	Reed, Dorothy	Custer	67	3	35	\$ 4,700.00	\$ 132.92	
21.	Rogers, Dorothy	Flathead	66		19	6,000.00	95.90	
22.	Root, Joy	Chouteau	66	7	14	3,825.90	56.86	
23.	Savage, John L.	Cascade	65	21	40	6,000.00	228.67	Opt. 4
24.	Smith Marguerite	Flathead	65	18½	35	5,960.00	220.72	
25.	Solberg, Marguerite	Yellowstone	63	17	38	5,918.33	226.12	
26.	Tarrant, Ruth	Silver Bow	60	12	23 2/3	5,575.00	135.63	
27.	Wangen, Mary	McCone	65	2	21	4,646.67	85.02	
28.	Jensen, Florence	Vested Right	63		13	4,226.67	46.03	
29.	Alexander, Violette	Big Horn	67	19½	41½	5,350.00	220.88	
30.	Brewster, Harriet	Carter	64	10 2/3	24	3,600.00	82.82	
31.	Cable, Eva	Big Horn	67	15 1/9	35	3,850.00	143.84	
32.	Fitzgerald, Genevieve	Big Horn	60	11	19½	4,011.67	78.85	
33.	Glass, Mary	Ravalli	63		28½	5,558.33	124.90	
34.	Hill, Grace	Custer	66	22	40	4,950.00	214.45	
35.	Haynes, Norma	Ravalli	66		21	5,320.83	86.70	
36.	Griffin, Walter	Missoula	60	11	35	5,783.00	192.53	(Sept.)
37.	Kins, Adelaide	Daniels	60	4	20	3,833.33	70.69	
38.	Peterson, Goldie	Yellowstone	65	20	39	6,000.00	246.34	
39.	Cantrell, Frances	Carter	69		15	4,808.33	65.58	
40.	Mallick, Winifred	University	62	6	24 2/9	5,078.00	114.50	
41.	Davis, Lulu	Big Horn	70	5	29	4,582.00	122.02	
42.	Penfield, Mae	Blaine	70		13½	3,866.67	46.82	Opt. 2
43.	Prestley, Mary	Silver Bow	67	22	39	5,575.33	238.45	
44.	Rathbun, Janet	Missoula	65	18½	37½	5,560.00	217.36	
45.	Thomas, Jeannette	Petroleum	67	13½	30	3,808.33	114.43	
46.	Wayne, Elsie	Ravalli	62	16½	39½	5,558.33	207.28	
47.	Badgley, Kirk	University	68	13	35	6,000.00	185.94	2/3 to Sur.
48.	Bosworth, Grace	Lincoln						
49.	Brown, Fred	Deer Lodge						
50.	Cotner, Frank	State College						
51.	Craighead, Katherine	Missoula	60	14	38	6,000.00	215.41	
52.	Cronin, Nona	Silver Bow						
53.	Grove, Charlotte	Valley						
54.	Herzberg, Abbie	McCone	67	16 2/3	35	4,350.00	162.54	
55.	Hickok, Mae	Valley	70	16	34	4,750.00	166.90	
56.	Klatte, Alice	Vested Right	60	2	12 1/3	4,210.00	47.32	
57.	McConnell, Celia	Mineral	70	2	20	4,145.00	67.46	
58.	Moore, Winnafern	St. Dept.	60	11	35	6,000.00	190.01	
59.	Monson, O. W.	St. College	70	12	35	6,000.00	218.71	
60.	Nelson, John	St. College	70	16½	35½	6,000.00	152.18	2/3 to sur.
61.	Silberling, Alma	Broadwater	65		23	4,700.00	85.67	
62.	Voight, Edna	Missoula	62	21½	40½	5,560.00	236.18	
63.	Whitney, Clara	St. Dept.	69	23	35	3,333.33	121.45	
64.	Seibel, Louis	Missoula	65	16	35	5,805.00	205.15	
65.	Dean, A. L.	Lake						
66.	O'Brien, Jane	Silver Bow	70	28	42	6,000.00	291.40	
67.	Coan, Ruth	Flathead	69	13	16½	3,720.00	111.00	
68.	Russel, Mamie	Mineral	65	10	28½	4,473.07	123.89	
69.	Jamison, Mae	Chouteau	67	3	18	3,693.33	32.58	

The Board next considered its organization for 1961-62. Mr. Savage

stated that since he would not be available for all of the meetings, he would not be a candidate for the position of Chairman. Mr. Hayes then moved the nomination of Mr. Gleason as Chairman of the Board. Mrs. Jasper seconded the motion. Nominations were closed and Mr. Gleason was unanimously elected Chairman.

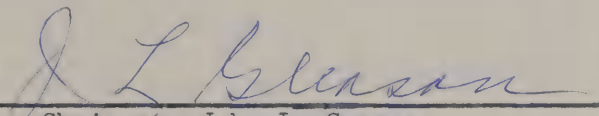
Mr. Gleason then moved the nomination of Miss Miller as Vice-Chairman. Mrs. Jasper seconded the motion. Mr. Hayes moved that further nominations be closed and Miss Miller was chosen unanimously.

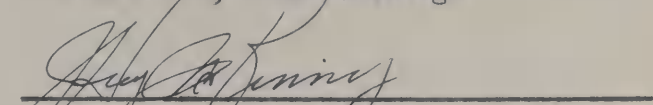
On a motion by Mr. Hayes and a second by Mr. Gleason the Actuary's and Secretary's appointments were extended for the 1961-62 term. The motion was unanimously approved.

Following a motion by Mr. Hayes and a second by Mr. Gleason the Secretary was instructed to write the Governor and urge the re-appointment of Mrs. Jasper for another term on the Board.

The next meeting of the Board was set for September 16, 1961, at ten o'clock in the morning.

The meeting adjourned at 12:10 on proper motion and second.


Chairman, John L. Savage


Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT

May 27, 1961

During the past quarter, bonds (with governments leading the way) have steadily strengthened with a corresponding drop of yield. Long-term governments last week were 3.57 to 3.74 depending on the coupon rate and maturity date. During this past week short-term notes have been stronger and it might indicate that the bottom has been reached.

There seems to be lots of mortgage money available even at the $5\frac{1}{2}$ rate and paper is hard to locate. Our Agreement states that a mortgage must be at least 90 days old and this might be the biggest reason for our scarcity of offerings. After the $5\frac{1}{2}$ rate has been in effect awhile, I think we will again be able to find attractive paper. It wouldn't surprise me, however, to see FHA's drop another one-fourth per cent.

Since the last meeting we have invested our funds in the following:

Mortgage Paper

Northwestern Bank of Lewistown	$5\frac{1}{4}$'s @ 96	\$ 223,444.78
Montana Bank, Great Falls	5 $3\frac{3}{4}$'s @ 99	133,639.85
Security Bank, Billings	5 $3\frac{3}{4}$'s @ 98	102,817.79
Empire Savings and Loan Assoc.	5 $3\frac{3}{4}$'s @ 98	85,266.52

Municipal Bonds

Fergus Co., S. D. #27	\$ 56,000.00	3.5% @ 3.7 & 3.75
Wheatland Co., S. D. #16	105,000.00	3.8% @ Par
Wibaux Co. High School	30,000.00	$3\frac{1}{3}$ % @ 3.8

We are also committed to purchase the following Municipals:

Livingston Sewer Bonds	\$ 30,000.00	$3\frac{1}{2}$ % @ 3.8
Yellowstone Co., S. D. #21	41,000.00	3.9% @ 3.75
Roosevelt Co., S. D. #65	57,500.00	3.75% @ 3.7

Work, this past quarter, has progressed very nicely. We did lose some time, however, when Jessie's husband became ill and passed away. Posting has been up-to-date all through the quarter. We made a good drive to get rid of our older inactive accounts and we refunded about one-fourth of them this month. Refund requests at the end of this term seem to be less than last year. It might be, however, that we'll pick up more at the end of the term. At that time, all the contributions will have been paid.

I have sent out about seventy applications for retirement and I think that will be about the number we'll be adding to the payroll in July. I expect to get several more requests but also I feel there will be an equal number changing their minds.

Of the first 43 applications completely processed, only 4 were males.

The average age of the group was sixty-four with an average of 13 years prior service and 31 years total service. The average benefit check will be about \$154 for a regular retirement. If the average is maintained, the total pension cost for the entire group will be about \$10,000 a month.

During the week of May 15th I did personal interviews with the staff at the State College. I had a full schedule and, as always, they were very appreciative.

RETIREMENT BOARD MEETING

September 16, 1961

The meeting was called to order by the Chairman, Mr. Gleason, at 10:00 a.m.. In attendance were Mr. Savage, Mr. Hayes and the Executive Secretary, Mr. McKinny. The Secretary informed the Board that Mrs. Jasper and Mr. Young would not be able to attend and that Miss Miller was speaking at a MEA meeting at that very moment. However, Miss Miller, after completing her speech, did join the meeting of the Board.

The minutes of the last meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Hayes and a second by Mr. Savage.

The Chairman instructed the Secretary to include in the minutes of the present meeting the notification from the Governor of the re-appointment of Mrs. Jasper to the Board.

The Secretary then presented his report along with the monthly and annual financial statement. The reports were ordered placed on file on a motion by Mr. Savage and a second by Mr. Hayes.

The Board next considered the approximate monthly payrolls for the next quarter---\$123,700 for retirement and \$2,768 for the office staff. The payrolls were approved on a motion by Mr. Hayes and a second by Mr. Savage.

The Board then turned to the new business at hand and considered the requests of the Security Bank of Butte and the Deer Lodge Bank and Trust Co. for Servicing Agreements for the purpose of selling the System mortgage paper. Mr. Savage moved that the Secretary be instructed to secure the proper signatures to the Agreement. Mr. Hayes seconded the motion which was approved.

The Secretary's request to attend the National Council on Teacher Retirement meeting in Washington D. C., October 4-8 was approved on a motion by Mr. Hayes and a second by Mr. Savage.

The Board then considered Mary Ann McBride's inquiry as to how a contract dispute would be handled by the System. She wanted to know if her salary and a year of service would be recognized by the System if she sued and won her contract and was not allowed to teach. It was the general opinion of the Board that the salary and service would have to be acknowledged but no final decision was reached pending the outcome of the case.

The Board next considered the following application for survivor's benefit and it was approved on a motion by Mr. Hayes and a second by Mr. Savage.

Betty Sando - 43

Account of Robert Sando (State Department)
15 years service & Average salary \$6,000
2 minor children
benefit \$125.08

The following applications for disability benefit were approved on a motion by Mr. Savage and a second by Mr. Hayes:

1. James E. Allison Fergus
21 years service
Age - 46
Average Salary - \$5,551.67
Benefit \$125.91

2. Lillian Wheat Fallon
23 years service
Age - 48
Average Salary - \$4,266.67
Benefit \$105.14

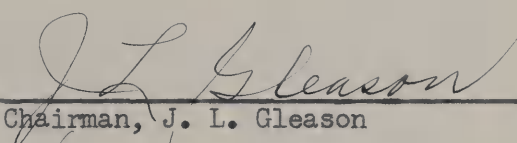
The following applications for retirement benefit were approved on a motion by Mr. Savage and a second by Miss Miller:

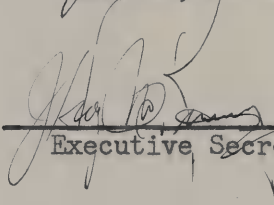
	<u>County</u>	<u>PS</u>	<u>CS</u>	<u>Average</u> <u>Salary</u>	<u>Age</u>	<u>Benefit</u>	
1. Bierrum, Katherine	Silver Bow	11 7/9	35	\$ 5,575.33	62	\$182.98	
2. Bennett, Edward	University	17	35	6,000.00	70	234.62	
3. Bliler, Ruby	Lewis & Clk	17 1/9	31 1/9	5,900.00	63	226.83	
4. Boissens, Margaret	Vested Right	11 3/9	22 7/9	4,090.00	60	93.66	
5. Carlson, Jennie	Lewis & Clk	20	35	5,866.67	69	230.11	
6. Crowley, Florence	Dawson	17	36	5,725.67	65	212.09	
7. Dahlstrom, Laura	Lincoln	7	16 7/9	5,125.00	61	84.05	
8. Field, Agnes	Flathead	10	34	5,941.67	65	186.57	
9. Foley, Helen	Missoula	14 1/2	35	5,783.33	66	199.14	
10. Foley, Jane	Silver Bow	19	39	5,575.37	64	224.26	
11. Grady, Rosalie	Silver Bow	19 6/9	38 6/9	5,575.37	65	227.62	
12. Ham, Bertha	Flathead	20	39	4,340.00	65	180.75	
13. Haynes, Charles	Ravalli	17 7/9	35 7/9	5,000.00	66	186.18	
14. Hoge, Rhoda	St. Dept.	11	35	4,250.00	60	138.60	
15. Jandt, Julia	Gallatin		25	3,966.67	64	80.49	
16. Laws, Zelka	Lincoln		15 7/9	4,575.00	60	60.04	
17. Marquess, Vesper	Vested Right	14	21	2,805.00	60	64.09	
18. Miller, Lillian	Lincoln	3	23 1/2	3,970.00	66	83.53	
19. Morier, Vera	Silver Bow	12	35	5,172.96	68	179.94	
20. Ramer, Lois	Madison	3	16	4,953.33	64	75.99	
21. Royal, Manilla	Fergus	13	18	3,566.67	62	71.18	
22. Stephensen, Mary	McCone		11	3,675.00	70	36.27	
23. Swearingen, Hazel	Missoula	20	37	5,678.33	67	228.66	
24. Wehr, Fred	Musselshell	12	25 1/2	5,108.33	67	140.71	
25. Barnard, Lulu	Flathead	18	41	4,443.47	61	176.84	Opt.#2
26. Cook, Florence	Fergus	17	38	4,418.00	63	173.17	2/3 to
27. Crull, Esther	Garfield	11 2/3	24 2/3	2,925.00	67	70.12	Opt.#2
28. Dean, A. L.	Lake	11	35	6,000.00	60	176.62	1/2 to sur.
29. Drewiecke, L. A.	Daniels	14	34 1/2	6,000.00	64	213.92	2/3 sur.
30. Elmslie, Marian	Northern	15 1/9	28 2/9	4,525.33	62	126.35	Opt.#2
31. Johnson, A. W.	St. Dept.	11	35	6,000.00	64	198.33	Opt.#2

32.	Shervan, Edna	Cascade	15	35	5,208.33	62	171.91	Opt. #2
33.	Smerker, Lena	Vested Rt.	8	24	3,015.00	60	68.84	Opt. #2
34.	Wolf, Alice	Lake	10	27	3,820.00	63	98.70	Opt. #2
35.	Cotner, Frank	St. College	21 $\frac{1}{2}$	35 $\frac{1}{2}$	6,000.00	70	192.17	2/3 to sur.
36.	Dillon, Edna	Ylst.	20 7/9	39 7/9	5,918.33	65	246.81	
37.	Gillespie, O. L.	Vested Rt.	16	32	5,000.00	60	142.18	2/3 to sur.
38.	Heiley, Viola	Gallatin	4	22	4,266.67	61	83.86	Opt. #2
39.	McGovern, Stella	Silver Bow	25 7/9	40 7/9	6,000.00	69	277.81	
40.	Peterson, Eliza	Beaverhead	4 $\frac{1}{2}$	13 $\frac{1}{2}$	3,636.66	68	48.97	
41.	Johnson, Helen T.	Yellowstone	3	11 6/9	5,603.33	60	61.80	

After a discussion of possible dates for the December meeting, Miss Miller moved the tentative date of December 16 at 10:00 a.m. be selected. Mr. Hayes seconded the motion which was approved.

The meeting adjourned at 11:50 on proper motion and second.


Chairman, J. L. Gleason


Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT
September 16, 1961

In July of 1959 when our minimum benefit was increased it affected 238 teachers and increased the total payroll by \$4,037.13 a month. As of August, 1961, the increase was costing \$3,332.98 for 199 teachers. Through the last two years the total cost has been \$88,346.91. The employer contribution was raised one-fourth per cent and our additional income for the same period was \$200,812.16. By projecting these figures ahead we should collect an additional \$400,000. The remaining cost should be about \$260,000, so we should clear about \$250,000 on the increase. The number of retired teachers dying per year had reached 50 in 1960. However, last year we lost only 36. In July and August of this year we have lost 12--nine in August for our largest single month. Apparently this year's deaths will make up for last year.

In July we added 83 to the retirement payroll--9 men and 74 women. The average salary for the group was \$4,919.36. The average age was 64.3 and they averaged 30.6 years of service with 13.7 years prior service. The average straight-life benefit was \$155.46. Our average check for the August payroll was \$107.60. This is an increase of more than \$4 this past year.

Since the last meeting we have purchased the following Municipal Bonds:

Yellowstone Co., S. D. #26	\$ 50,000.00	3.7%
Wheatland Co., S. D. #16	30,000.00	3.95%
Manhattan Sewer Bonds	22,000.00	4.00%
Livingston Sewer Bonds	29,000.00	3.8%
Roosevelt Co., S. D. #65	57,500.00	3.7%
Ravalli Co., S. D. #9	25,000.00	3.8%
Yellowstone Co., S. D. #21	41,000.00	3.8%
Missoula County, S. D. #5	34,000.00	3.85%
City of Harlem	30,000.00	3.95%

We are also committed to buy \$88,000 Laurel School Bonds at 3.9% and \$23,500 City of Cascade Sewer Bonds at 3.95%.

We have purchased the following mortgage offerings:

First National Park Bank, Livingston	\$ 104,000.00	5 3/4 @ 98
First National Bank, Glasgow	92,000.00	5 1/2 & 5 1/4 @ 98 & 96
Streeter Brothers, Billings	88,000.00	5 1/2 & 5 1/4 @ 97 & 96

Since our last meeting, government prices have weakened and the yields have risen to just over 4 per cent. The bonds which we purchased were all committed in June and July so if any new issues come out now we will get over 4 per cent on them. Mortgage prices have strengthened and the discount rate on 5 1/4's for 25 years will be about 3 per cent. Some of the big life

insurance companies tried to hold the discount at 5 per cent but they have been unsuccessful.

I have hired a new boy to help with the posting. He is a Helena boy attending Carroll College. His name is Wayne Miller. Jack Van Meter worked with us all summer but decided to attend school at Easter this year. He is a Billings boy.

We are just beginning to change over our files for the coming year. We have received some complete teachers lists from the smaller schools which we have processed and we have taken many of the lists from the newspapers in order to get a "head start". Since our record clerk now has two years experience we should have little trouble with this big project.

Tom and I will again attend the MEA Conventions. I will go to Glasgow and Billings. I also plan to write to all the presidents of the larger MEA Locals to line up speaking engagements for the year.

In case you may have missed it in the papers, Mrs. Jasper was re-appointed for another term.

RESOLUTION NO 35

BE IT RESOLVED THAT, J. Hugh McKinny, Executive Secretary, is hereby authorized and empowered to sell and assign any and all United States securities of any description now or hereafter registered on the books of the Treasury Department and registered securities with respect to which the Treasury Department acts as the transfer agency in the name of TEACHERS RETIREMENT SYSTEM of the STATE OF MONTANA or which may now or hereafter be assigned to it.

AND IT IS FURTHER RESOLVED, that any and all assignments of any such securities registered in the name of, or assigned to THE TEACHERS RETIREMENT SYSTEM heretofore or hereafter made by the above-named officers, are hereby ratified and confirmed.

Signed

J. L. GleasonSamuel MillerGeo. DayerJohn L. SavageChristine M. Jones

RESOLUTION NO. 36

RESOLUTION APPROVING AUTHORIZING SIGNATURES AND ENDORSEMENTS

WHEREAS, signatures on behalf of the Teachers Retirement System are required on mortgage satisfactions, mortgage notes, mortgage assignments and loss drafts; and

WHEREAS, said resolution approving authorizing signatures and endorsements has been duly read in open meeting, fully considered in accordance with all pertinent rules of procedure and legal requirements, and made a part of the records of the Teachers Retirement System of the state of Montana; and

WHEREAS, it is deemed advisable and in the public interest that said resolution approving authorizing signatures and endorsements be approved and its execution authorized; and

NOW THEREFORE, be it resolved by the Retirement Board pursuant to and under authority of Section 75-2703, Revised Codes of Montana, 1947, and on behalf of the Teachers Retirement System of the state of Montana that J. Hugh McKinny, Executive Secretary, be and he is hereby authorized to execute said mortgage satisfactions, mortgage notes, mortgage assignments and loss drafts, and J. Hugh McKinny, Executive Secretary, thereof be and he is hereby authorized to attest the execution of said mortgage satisfactions, mortgage notes, mortgage assignments and loss drafts; and

BE IT FURTHER RESOLVED that said resolution approving authorizing signatures and endorsements be and the same hereby is approved without reservation or qualification.

Approved and adopted this 16 day of December, 1961

J. L. Gleason
Attest: Clerk
John L. Savage
Blair Dwyer
Christine Johnson

Retirement Board Meeting
December 16, 1961

The meeting was called to order by the Chairman, Mr. Gleason, at 10:00 a.m.. In attendance were Mr. Gleason, Miss Miller, Mr. Hayes, the actuary - Mr. Young and the secretary - Mr. McKinny.

The minutes of the September Board meeting having been in the hands of the members prior to the meeting were approved on a motion by Miss Miller and a second by Mr. Hayes.

The Secretary presented his reports on the NCTR Convention and the work progress of the past quarter. They were ordered placed on file.

Mr. Hayes then moved the approval of the following approximate payrolls for the 1st quarter of 1962:

Retirement Payroll	\$ 123,400.00	per month (approx.)
Office Payroll	3,020.00	per month (approx.)

Miss Miller seconded the motion and it was unanimously approved.

The Board next considered the new business at hand. After a discussion concerning interest earnings and prospective earnings, Mr. Hayes moved that the present rates of interest on the Annuity Savings Fund and the Annuity Reserve Fund be retained. Miss Miller seconded the motion which was approved.

Next, the Board considered the Commerce Bank & Trust Company's request that we deposit funds for a checking account at their bank. Mr. McKinny reported that they were covered by Federal Deposit Insurance and were willing to deposit trust receipts in excess of deposits. Since it would be convenient to handle withdrawals through one checking account, Miss Miller moved that the Secretary be instructed to prepare a resolution authorizing signatures and to secure the proper signature cards. Mr. Hayes seconded the motion which was approved.

The Board next considered the applications of the Western Montana Bank of Missoula and the Miners & Merchants Bank of Roundup for Servicing Agreements for the sale of Real Estate Mortgages. Miss Miller moved that the Secretary draw up the usual agreement and secure the proper signatures. Mr. Hayes seconded the motion which was approved.

The Board next considered Mr. McKinny's request to have the windows tinted to cut down on the sun glare in the office. Mr. McKinny reported the Board of Examiners had permitted the company to do the work on state buildings and that previous work done by the firm was satisfactory to other purchasers. The work is 100 per cent guaranteed for three years and the firm guarantees repairs for five years. The cost of the tinting would be \$176.15. Mr. Hayes moved the approval of the tinting for the convenience of the employees. Miss Miller seconded the motion which was approved.

Next, the Board considered the request of Charles Roll to invest money with

the Teachers Retirement System as a tax-deferred annuity as provided under Section 403 b of the Internal Revenue Code. The law permits the teacher to deposit extra funds to his account to increase his own annuity but the Board felt that it might be illegal to enter into an agreement with the school boards for this purpose and Miss Miller moved the Secretary be instructed to request the opinion of the Attorney General on whether school districts could alter a teacher's contract to provide for the purchase of nonforfeitable annuities. Mr. Hayes seconded the motion which was approved.

The Secretary next reported the request of attorney Gareld Krieg for a resolution from the Board authorizing the Secretary's signature on mortgage assignments, mortgage notes and mortgage satisfactions in case there was any question concerning the legality of a title in the future. Mr. McKinny had already had the Attorney General's office prepare the resolution and Miss Miller moved the adoption of the resolution and Mr. Hayes seconded the motion which was approved.

The following applications for survivors benefits were approved subject to the calculation of the actuary, on a motion by Miss Miller and a second by Mr. Hayes:

A. Ruth Rawson	Account of Kenneth Rawson 48 23 1/3 yrs. service Flathead Co. Average salary, \$6,000.00 Benefit	\$55.12
B. Elizabeth Sayer	Account of George Sayer Missoula Co.	
C. John Ames	Account of Theresa Bouska 65 38 5/9 yrs. service Cascade Co. Benefit	\$208.94

The Board next considered Miss Myra King's application for disability. Miss King had not taught or received salary since July 1, 1960, because of a mental disorder. Mr. Hayes moved that the application be approved. Miss Miller seconded the motion and it was approved.

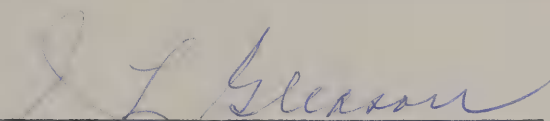
The following applications for retirement benefit were approved on a motion by Miss Miller and a second by Mr. Hayes:

	<u>County</u>	<u>PS</u>	<u>CS</u>	<u>Average Sal.</u>	<u>Benefit</u>	
1. Dyche, S. R.	St. College	20	35	\$ 6,000.00	\$ 238.65	
2. Alfred, Florence	Fergus	5 2/9	21 2/9	3,225.00	63.93	
3. Freeman, Edmund	University	17	35	6,000.00	230.63	
4. Hughes, Irma	Vested Right	11	24 1/2	2,985.00	73.64	
5. Johnson, Isabelle	Eastern	13	36 1/2	6,000.00	206.15	
6. Buck, Juanita	Vested Rt.	10	17	2,680.00	26.01	Opt.#3

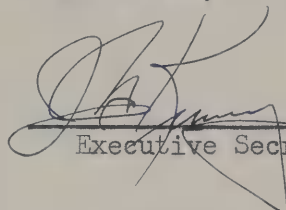
7.	Cole, Bessie	Lincoln	10	21 7/9	\$3,150.00	\$ 67.94	
8.	Mercer, Ralph	St. College	18	29 $\frac{1}{2}$	5,313.33	150.48	Opt. #4 ($\frac{1}{2}$ to sur.)
9.	Dielman, Alverta	Chouteau	8 $\frac{1}{2}$	20 $\frac{1}{2}$	3,513.33	68.21	

The Board set the date for the next meeting on March 17, 1962, at 10:00 a.m..

The meeting adjourned after proper motion and second.



 Chairman, J. L. Gleason



 Executive Secretary, J. Hugh McKinny

Executive Secretary's Report

December 16, 1961

The investment picture from our standpoint is very dim. There have been very few issues of Montana municipals this summer and fall and the interest rates have been low because of competition in bidding. The only new issues in the offing are a large sewer issue in Missoula and a small issue for a bridge also in Missoula. I am sure the big issue will be so low the bond companies won't call us. The mortgage market has been slow and by really chasing for paper I was able to secure enough offerings to invest the income for October and November. We will have offerings from the Union Bank and the First National Bank of Bozeman this month that will total \$250,000. The Bozeman bank is selling to us for the first time even though we have had an agreement for some time. We also have a servicing agreement with a Missoula bank but I don't know if it will do any good. It surely looks like we will be back buying government bonds again. Fortunately, government bond yields have been increasing throughout the past year.

Since the last meeting we have made the following investments;

Mortgage Paper

\$ 157,400.00	Security Bank & Trust Co.
100,000.00	Union Bank & Trust Co.
103,800.00	Big Horn Bank, Hardin
107,700.00	Montana Bank
100,500.00	Exchange State Bank of Glendive
88,000.00	Streeter Brothers

Municipals

\$ 87,000.00	Yellowstone - Carbon Co., S. D. #7 @ 3.9
23,500.00	City of Cascade @ 4.0

We are also committed to buy \$52,500 Nashua school bonds at 4.02.

Work in the office has progressed very well this past quarter. The teachers lists have been completed and posting is up-to-date. The boy I hired as part-time posting clerk, although not as brilliant as he thinks he is, is becoming a fast, accurate poster and is working out all right. In the middle of November I hired a girl full time to work on our history records. Her name is Bonnie Rasmussen and she is from Nebraska. When these records are brought up-to-date, probably by next spring, I will have her help with the posting if she works out all right.

I attended the MEA convention in Billings where I had a section and did interviews the rest of the day. Tom was in Missoula. I have been traveling quite a lot this fall, mostly on mortgages, but I did speak in St. Ignatius in October and will speak in Ronan and Glendive next month.

Retirement Board Meeting
March 17, 1962

The meeting was called to order by the Chairman, Mr. Gleason, at 10:00 a. m.. In attendance were Mrs. Jasper, Mr. Hayes, the Actuary - Mr. Young and the Executive Secretary - Mr. McKinny. Miss Miller was unable to attend because of a conflicting meeting and Mr. Savage was out of state.

December

The minutes of the ~~March~~ meeting, having been in the hands of the members prior to the meeting, were approved on proper motion and second. The Secretary presented his report and discussed the National Council on Teacher Retirement Report and they were ordered placed on file.

The second quarter pension payroll of approximately \$125,000 per month and the office payroll of approximately \$2,770 per month were approved on a motion by Mrs. Jasper and a second by Mr. Hayes.

The Board next took up the new business at hand and considered the application of the First National Bank of Missoula to sell the System FHA and VA mortgage paper. Mr. Hayes moved that the Secretary draw up the standard Servicing Agreement and secure the proper signatures. Mrs. Jasper seconded the motion which was approved.

In order to prevent the following dormant accounts from possibly escheating to the State, the Board approved the transfer of the accounts to the Pension Accumulation Fund with the teachers retaining the right of withdrawal. The motion was made by Mr. Hayes and seconded by Mrs. Jasper.

1. Atkins, Elizabeth Allard	\$ 20.85	26. Flechsenhar, Betty Joyce	2.37
2. Bergstrom, Bernice E.	482.19	27. Fost, Raymond	12.35
3. Brent, Sylvia Elizabeth	2.17	28. Going, Joetta Forsyth	3.82
4. Brockley, William R.	10.05	29. Grabow, Dolores Goodrich	31.67
5. Brock, Beth Louise	7.56	30. Hart, Katherine	3.13
6. Brown, Kenneth "ay	356.93	31. Heidelman, Anne Anderson	17.71
7. Brunel, Lillian	29.19	32. Hepner, Margaret	27.93
8. Canfield, Carol M.	251.57	33. Howard, Bette	7.95
9. Christianson, Gordon	112.75	34. Hudson, Betty C.	12.35
10. Cook, James Donald	9.26	35. Johnson, Gordon	62.90
11. Gurley, Frank	18.71	36. Katich, Elena	25.33
12. Dayton, Morris Gail	8.13	37. Keans, Anna (Mrs. Jack)	539.04
13. Dean, Betty L.	32.67	38. Keffeler, Fern	38.13
14. Deavers, Pluma Hines	2.55	39. Ketcham, Jo	23.90
15. Dolance, Mary Frances	153.19	40. Kiser, Jennie Rose	56.26
16. Dorr, Florence French	4.17	41. LaRue, Arthur P.	13.75
17. Dorsey, Marjorie	94.74	42. Leighton, Nephi Robert	6.03
18. Dow, Dorothy	4.80	43. Lewis, Edith	11.48
19. Dresser, Bernice E.	146.38	44. McBride, Theresa Marie	14.38
20. Durdahl, Rose Marie	3.66	45. Miles, Norma Marie	152.47
21. Ellison, Stuart Pete	9.50	46. Newman, Elizabeth Law	28.62
22. Erickson, Thelma	31.49	47. Patton, Alice Patricia	65.23
23. Exley, Ida A.	11.80	48. Payne, Ruth Mary	167.71
24. Fermette, Winsor	12.35	49. Peterson, William	1.06
25. Flannagan, J. W.	28.55	50. Phalen, Richard J.	1.75

51. Reed, Lela	\$ 168.69
52. Robinson, Lynn E.	119.70
53. Schroeder, Hulda Amanda	195.73
54. Shade Elwood B.	18.52
55. Shinazy, Viola Thomas	450.67
56. Talent, Gola Eileen	7.07
57. Teague, Frances	2.81
58. Thompson, Maurice O.	165.09
59. Turner, Inez	11.06
60. Vance, Camilla McCormick	28.26
61. Van DeRiet, Norma	42.59
62. Walker, Pearl L.	40.55
63. Ward, A. B.	4.78
64. Williams, Ella A.	9.81
65. Zehntner, Mary Elizabeth	<u>970.45</u>
	\$5,408.31

Because of the shortage of mortgage paper offerings and the strengthening of government bond prices, the Board next considered the advisability of investing funds in Federal Land Bank Bonds. Since they are a legal investment for the System and they yield a little better than long-term governments, Mr. Hayes moved the Finance Committee consider this type of investment whenever they deemed it advisable. Mrs. Jasper seconded the motion which was unanimously approved.

The Board next considered Mrs. Helen Regan's request to have her retirement begin as of March, 1961, the month she left the classroom, rather than December, 1961, the date of her application for retirement. She felt that the difficulty in securing proof of her prior service and Mr. McKinny's failure to ask for the immediate return of the signed application should enable her to receive benefits from March to December, 1961. In examining her file the Board found that Mrs. Regan had been asked to furnish proof of her prior service in 1954 and that Mr. McKinny's letter did ask her to sign and return the application even though the letter did not point out the immediate necessity of doing so. After a full discussion, the Board felt they could not justify circumventing the law which states that retirement payments cannot begin before receiving the signed application and approval by the Board.

The Board then considered the legality of refunding interest on payments made by a teacher for other than membership service such as for additional annuities. After a full discussion it was agreed that if the teacher wished to withdraw the extra payments, the extra interest the payment earned could also be refunded.

The following applications for survivor's benefits were approved on a motion by Mr. Hayes and a second by Mrs. Jasper:

A. Violet Tierney	Account of George MacDonald	
Age 65	Age 62	
	School of Mines	
	32½ yrs. service	
	Average Salary	\$6,000.00
	Benefit	136.38

B. Elizabeth Sayer
Age 44

Account of George Sayer
Age 51
Missoula County
21½ yrs. service
Average salary \$6,000.00
Benefit 41.74

The following applications for retirement allowance were unanimously approved on a motion by Mr. Hayes and a second by Mrs. Jasper:

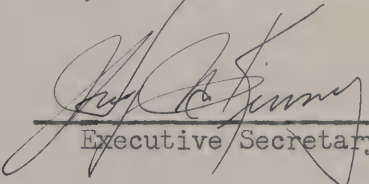
	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Av. Salary</u>	<u>Benefit</u>
1. Katherine Larsen	Chouteau	19	18	\$ 2,800.00	\$ 54.08
2. Fay Kirkpatrick	Lewis & Clark	19	38	5,986.66	256.74
3. Lyle Holmes	Vested Right	8	25	3,600.00	83.86 Opt.#2
4. Hildegard Hammond	Lincoln	12	35	5,333.33	171.62
5. Pearl Lotz	Roosevelt	8	25½	4,425.00	98.65
6. Helen Regan	Richland	18	29	3,355.00	104.68 Opt.#2

Mrs. Ruth McDonald's application for disability allowance was approved on a motion by Mrs. Jasper and a second by Mr. Hayes.

The Board's next meeting was set for Saturday morning, June 2, 1962, at 10:00 a.m..

The meeting adjourned at 11:45 on a motion by Mr. Hayes and a second by Mrs. Jasper.


Chairman, J. L. Gleason


Executive Secretary, J. Hugh McKinny

Executive Secretary's Report

March 17, 1962

You have possibly read of the Legislative Council's vast plans for consolidating most of the small departments in state government into one large department to be headed by one man. Before this can be accomplished a lot of ground work must be done. First on their program is grouping of special funds so that consolidation can easily follow. I was called before the Council in January to explain our funds. They do not like it that our funds are on deposit with the local banks and feel that they belong in the Treasurer's office. According to this plan, our funds would be deposited in a new account called Agency Funds from which we would write all checks except expense checks. The expenses would be paid out of funds which the legislature would appropriate for us out of our funds in the Agency Account.

I attended a meeting of the MEA Retirement Committee in January. They had nothing new to suggest and when I mentioned the only idea we had discussed--that of possibly increasing the survivor's benefit allowance--they were quick to grab it as suggested legislation. On this line, we now have 43 beneficiaries receiving benefits from accounts of teachers who died before retirement and in addition there are 15 children also receiving benefits. The survivor's benefit allowance has been in the law since 1953 and payments to children since 1955.

The Retirement Committee was quite interested in an apartment center for retired teachers. The first step along that line will be to amend the MEA constitution to make the Retired Teachers Association a department of the MEA. This will permit the MEA to do research work for the National Retired Teachers Association. I hope to get that project moving well by the middle of May when the steering committee for the NRTA meets in Great Falls. This will give them something to work on in addition to raising the minimum benefit to \$100 per month. They have asked for cost figures on this proposal already.

I haven't sent our official request to the Attorney General's office for an opinion on the tax-deferred annuities. There are still several questions that have to be answered before we get into such a program. Also, I would like to know if we should ask the Attorney General if we could refund interest on these special accounts. The prime reason for not sending the request, however, is that the Internal Revenue has not decided as yet whether a System such as ours can "sell" such annuities. In conversations with Mr. Word, who will write the opinion, I have been assured that as far as Montana law is concerned, the plan will be perfectly legal.

The investment picture looks very bleak. For the first time in years we have no mortgage offerings ahead of us, no Montana municipals in sight and the government market, even though around 4 per cent, is slipping every day. For this reason we might consider Federal Land Bank Bonds which yield slightly higher than long-term governments. Since the first of December we

have purchased the following amounts of mortgage paper:

Union Bank, Helena	\$ 153,000.00 @ $95\frac{1}{2}$ to $96\frac{1}{2}$
First Nat'l Bank, Bozeman	178,000.00 @ 97
Security Trust & Savings Bank, Billings	193,000.00 @ $96\frac{1}{2}$
Exchange State Bank, Glendive	97,500.00 @ 97
Great Falls National Bank	107,000.00 @ 96
Streeter Brothers	84,000.00 @ 96

We have also received delivery of \$95,000 Chester Water Bonds at 4 percent from D. A. Davidson and \$52,500 Nashua School Bonds at 3.9 per cent from Joran & Moody. Redemption in mortgage paper through the three months was \$175,000.

The girl I hired to work on the history records is no longer with us. I let her go the first of February. Her husband was an alcoholic and she could not keep her attention on her work. I have not replaced her but will do so in May when our part-time poster leaves. Work has been progressing well and the posting is up-to-date. Interest on all accounts will be calculated by the 1st of April. All seventy-year old teachers will be notified this week that they are no longer eligible for re-appointment.

I have certainly done my share of traveling lately and it looks like that item in the budget was really under-estimated. I have spoken to Locals in Glendive, Forsyth, Kalispell and Ronan. I spent one week in Anaconda and Bozeman doing estimates. Next week I go to Belgrade, the week after that to Baker and the week of April 10th I am to be in Kalispell to do estimates. On the 17th of April I speak at the Missoula County High School.

Retirement Board Meeting

June 2, 1962

The Board assembled at 10:00 a.m., Saturday, June 2, 1962, and the meeting ~~was~~ called to order by the Chairman, Mr. Gleason. In attendance were Miss Miller, Mrs. Jasper, Mr. Hayes, Mr. Savage and the Secretary, Mr. McKinny. The Secretary informed the Board that Mr. Young would not be at the meeting ~~as~~ he ~~was~~ attending an Actuary's Conference in California.

The minutes of the March Board meeting were approved, ~~as~~ corrected, after Mr. Savage noted an incorrect date in the record, on a motion by Miss Miller and a second by Mr. Hayes.

The Secretary presented his quarterly report and reviewed the May financial statement. They were both ordered placed on file on a motion by Mr. Hayes and a second by Mrs. Jasper.

The approximate retirement payroll of \$125,000 per month and the office payroll of \$2,918 per month, for the 3rd quarter of 1962, were approved subject to correction by any additions to the payroll later approved at the meeting on a motion by Mr. Savage and a second by Miss Miller.

The Board then considered the purchase of the following new equipment ~~as~~ recommended by the Secretary:

1 - Underwood Electric Scriptor Typewriter	\$319.00	
Less trade-in	<u>45.00</u>	
Net		\$274.00
1 - 13-Column Underwood Olivette Adding Mach.	\$295.00	
Less trade-in	<u>20.00</u>	
Net		\$275.00
1 - L Unit Secretary's desk	\$303.00	
Less trade-in	<u>35.00</u>	
Net		\$268.00

Miss Miller moved that the equipment be purchased and Mr. Savage seconded the motion which was approved.

The Board next considered the purchase of a Burroughs F4232 Dual Printing Electronic Accounting machine and after a thorough discussion of its merits and its value in sending out annual statements to all teachers, Mr. Savage moved that the Secretary be permitted to purchase the machine. Mrs. Jasper seconded the motion which ~~was~~ unanimously approved.

Next the Board considered the Secretary's proposed operational budget for 1962-63. The following budget ~~was~~ approved on a motion by Mr. Hayes and

a second by Mrs. Jasper:

	<u>1962-63</u>
Salaries	\$ 35,020.00
PERS	1,156.00
OASI	1,052.00
Rent	1,026.00
Postage	1,700.00
Travel	2,000.00
Board	725.00
Supplies	2,300.00
Maintenance	1,600.00
	<u>\$ 46,279.00</u>

The Board then considered the Secretary's request for a salary adjustment for Thomas Schneider. After some discussion, Mr. Hayes moved that in addition to Mr. Schneider's increase of \$25 per month that the budget be amended to increase the salaries of Mrs. Wilcox and Mrs. Didriksen by \$10 per month and Mrs. Morris \$5 per month. Mrs. Jasper seconded the motion. Mr. Savage then moved that the motion be amended to include an increase in salary for the Executive Secretary from \$8,200 to \$8,500. Mr. Hayes seconded the motion which was adopted. The amended motion was then unanimously approved.

Following the discussion on salary adjustments, the Board, on a motion by Mrs. Jasper and a second by Mr. Hayes, instructed the Secretary to notify Mrs. Jessie McKenna Spurling that she would be retired August 1, 1962, and that the Board appreciated her 32½ years of diligent, faithful service. This motion was unanimously approved.

The Board next considered membership of the System in the Rocky Mountain Trust Fund Administrative Conference and permission of the Secretary to attend their meeting September 7, 1962, in Salt Lake City. Miss Miller moved the approval of the proposal. Mr. Savage seconded the motion which was approved.

The following interim retirement benefits were then approved on proper motion by Miss Miller and a second by Mrs. Jasper:

	<u>County</u>	<u>Age</u>	<u>Average Salary</u>	<u>PS</u>	<u>CS</u>	<u>Benefit</u>
1.	Sporleder, Ruby	Vested Right	60	\$ 3,920.00	13½	23½ \$104.20 Opt.2
2.	Emmert, W. L.	Vested Right	60-56	5,000.00	14	29 110.83 Opt.3
3.	Hardtke, Tessie	Vested Right	60	3,008.33	10⅓	19⅓ 60.10
4.	Gee, Ethel	Vested Right	60	4,074.00	10	23 91.62
5.	Greenwood, Winifred	Western	65	6,000.00		20 97.53 Opt.2
6.	Baldwin, Grace	Vested Right	64	4,045.00	14	33½ 133.94
7.	Easton, Mabel	Vested Right	60	3,596.66	13	29 107.79

The following applications for retirement were then approved following

a motion by Mrs. Jasper and a second by Miss Miller:

	<u>County</u>	<u>Age</u>	<u>Av. Salary</u>	<u>PS</u>	<u>CS</u>	<u>Benefit</u>		
1.	Brown, Lillian	Cascade	70	\$ 6,000.00	24	39	\$ 271.68	
2.	Freese, Emma	Wheatland	66	4,391.67	15	35	155.57	
3.	Gill, Ellen	Gallatin	62	5,851.33	17	40	230.24	
4.	Irvin, Maybelle	Lincoln	66	6,000.00	4	22	123.72	
5.	Paxson, Evelyn	St. Dept.	70	4,140.00	5 $\frac{2}{3}$	22 $\frac{1}{3}$	91.65	
6.	Peterson, Mildred	Missoula	64	6,000.00	13 $\frac{1}{4}$	35	214.15	
7.	Platt, Anne	University	69	6,000.00	19	36	241.23	
8.	Rankin, Virginia	Madison	62	4,506.66	3	26 $\frac{1}{4}$	103.43	
9.	Solazzi, Frank	Big Horn	70	5,966.67	10	25	155.87	Opt. 2
10.	Troop, Anne	Missoula	60	5,543.33	11 $\frac{1}{2}$	28	150.31	
11.	Vinke, Sarah	St. College	68	6,000.00	16	35	217.58	
12.	Wood, Grace	Carbon	65	4,097.67		15	49.46	
13.	Chester, Mabel	Flathead	63	5,761.67	15	37	209.56	
14.	Crawford, Laura	Pondera	63	3,630.00	10	24 $\frac{1}{2}$	87.04	
15.	Knight, Mary	Judith Basin	65	4,578.33	6 $\frac{1}{2}$	31 $\frac{1}{2}$	132.32	
16.	Parker, Alfred	Carbon	64	4,886.67	12	35	171.61	
17.	Weber, Lula	Park	68	4,005.00	10	35	134.58	
18.	Weistaner, Minnie	Lincoln	65	4,531.67	9 $\frac{1}{2}$	22 $\frac{1}{2}$	96.21	
19.	Buls, Ellen	Missoula	65	3,888.33	8 $\frac{1}{2}$	14	58.75	
20.	Enseleit, Esther	Glacier	60	5,573.33	16 $\frac{1}{2}$	41 $\frac{1}{2}$	224.56	
21.	Johnson, Nell	Cascade	69	6,000.00	18 7/9	35	232.36	
22.	March, Walter	Sch. of Mines	64	6,000.00		10	58.57	
23.	Volk, Maude	Missoula	65	6,000.00	19	39	241.12	
24.	Cullen, William	Silver Bow	70	6,000.00	17	35	240.16	
25.	Auld, Ethel	Hill	65	4,716.67	1	18 $\frac{2}{3}$	75.92	
26.	Coombs, Florence	Yellowstone	65	4,391.67	5	17 $\frac{1}{2}$	74.96	
27.	Weingartner, L. W.	Flathead	60	5,983.33	14	39	224.77	
28.	Williamson, Eva	Silver Bow	70	5,905.00	24	39	264.88	
29.	Giese, Dorothy	Lewis & Clk	61	6,000.00	13	36	202.69	Opt. 2
30.	Gulhols, Margaret	Roosevelt	65	4,350.00	13 $\frac{1}{2}$	33	143.78	
31.	Williams, Carrie	Musselshell	68	5,191.67	2	18	74.14	Opt. 2
32.	Williams, Ross	University	65	6,000.00	1	24	93.92	Opt. 3
33.	Zimmerman, Marjorie	Blaine	61	5,155.00	9	28 $\frac{1}{2}$	138.51	
34.	Lynch, Veronica	Silver Bow	70	5,736.00	25	40	264.84	
35.	Largent, Christine	Teton	69	3,850.00		18	64.43	
36.	Ambrose, Anne	Vested Right	60	4,983.33	8 $\frac{1}{2}$	29 $\frac{1}{2}$	134.44	
37.	Norville, Helen	Jefferson	65	3,733.33	2	15	51.57	
38.	Rosean, Nell	Stillwater	65	5,130.00	7	24	119.02	
39.	Cooper, U. A.	Park	60	5,666.67	13	33	183.91	
40.	Keith, Dorothy	Park	61	3,645.00	4	14	48.42	
41.	McGee, Mayme	Chouteau	61	2,925.00		27 $\frac{1}{4}$	59.57	

Mr. Savage moved the approval of the following applications for survivor's benefits. Miss Miller seconded the motion which was unanimously approved.

1. Susan Arrosen
(age 82)

Survivor of Ruth MacKenzie age 61
Average salary - \$5,916.67
PS - 17 $\frac{1}{2}$ yrs
CS - 40 yrs
Monthly benefit \$ 406.66

- | | |
|------------------------------|---|
| 2. J. A. Tidyman
(age 59) | Survivor of Frances Tidyman
(age 61)
Average salary \$ 5,660.00
PS - $6\frac{1}{3}$ yrs. & CS - $25\frac{1}{3}$ yrs.
Monthly benefit \$ 82.60 |
| 3. Lola Bolin
(age 54) | Survivor of Russell Bolin
(age 59)
Average salary \$ 6,000.00
PS - $13\frac{1}{2}$ yrs.
CS - 38 yrs.
Benefit \$ 116.98 |

The following applications for disability benefit were approved on a motion by Miss Miller and a second by Mr. Savage:

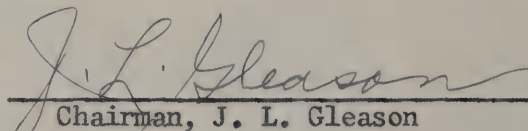
	<u>County</u>	<u>Age</u>	<u>Average Sal.</u>	<u>CS</u>	<u>Benefit</u>
1. Olson, Bonna	Unclassified	54	\$3,786.67	12	\$ 78.89
2. Jones, Helen	Custer	36	3,150.00	11	65.63

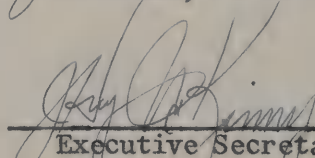
The Board next considered its organization for 1962-63. Mr. Savage moved the nomination of Mr. Gleason as Chairman of the Board. Miss Miller seconded the motion. Nominations were closed and Mr. Gleason was unanimously elected Chairman.

Mr. Savage then moved the nomination of Miss Miller as Vice Chairman. Mrs. Jasper seconded the motion. Nominations were closed and Miss Miller was elected Vice Chairman of the Board unanimously.

The next Board meeting was set for September 23 at ten o'clock in the morning.

The meeting adjourned at 12:10 on proper motion and second.


Chairman, J. L. Gleason


Executive Secretary, J. Hugh McKinny

Executive Secretary's Report

June 2, 1962

So far this spring we have sent out about 65 applications for retirement and have received and processed 40 which have been returned. These 40 will increase our payroll by \$5,700 a month making an average per check of \$150. The average age of the group was just over sixty-five, the average salary just over \$5,000 and total service average $33\frac{1}{2}$ years. Of these 40 applications only 4 chose any of the options. It is hard to judge but I do not think we will add as many this year as last but we might get a lot more requests now that school is out.

The Internal Revenue Dept. has not made a ruling on a public retirement system offering tax-sheltered annuities. The Milwaukee Public Employees Retirement System is now carrying the battle to see if it is possible but this will be a slow process.

Investments this past quarter have been as follows:

U. S. Treasury Bonds 4% 1980 \$600,000.00 @ 3.94 & 3.97

Mortgage Paper

Montana Bank	\$ 96,865.00 @ 97
Big Horn State Bank	70,992.00 @ 97
Security Trust & Savings Bank	137,434.00 @ $96\frac{1}{2}$
Streeter Brothers	85,156.00 @ 96 & $96\frac{1}{2}$

The investment picture is nothing but gloomy. Mortgage paper is scarce. Montana Municipals of any quantity are too low to consider and government yields are slowly going down. We can now safely invest in Federal Land Bank Bonds but their long-term yields are no better than government general tax obligations. In addition to that, the cities of Whitefish and Chinook have floated refunding bonds to pay off their higher interest bonds of which we hold \$122,500 yielding us about $4\frac{1}{2}$ per cent.

I did a lot of traveling in March and April--so much that after returning from Baker on a Saturday I sent Tom to Kalispell to do estimates for me. He spent four days there and from all reports got along real well.

Work in the office has been going nicely. We made an extra effort to get all our active teachers to fill out membership records. Our last request, near the end of the term, seems to be bringing good results.

I have replaced our part-time poster with a full-time girl. She has been doing history records and helping with the posting. Her name is Virgie Baird and she worked for Western Life for twelve years.

RESOLUTION NO. 37

BE IT RESOLVED THAT, The First National Bank and Trust Company and The Union Bank and Trust Company of Helena, Montana, as designated depositaries of The Teachers' Retirement System and they are hereby requested, authorized and directed to honor checks, drafts or other orders for the payment of money drawn in this State Department's name, including those payable to the individual order of any person or persons whose name or names appear thereon as a signer or signers thereof, when bearing or purporting to bear the facsimile signature(s) of any two of the following:

J. L. Gleason
J. L. Gleason

George H. Hayes
George H. Hayes

Harriet E. Miller
Harriet E. Miller

Christine M. Jasper
Christine M. Jasper

Jess W. Whitney
Jess W. Whitney

and the First National Bank and Trust Company and the Union Bank and Trust Company of Helena shall be entitled to honor and to charge this State Department for such checks, drafts or other orders, regardless of by whom or by what means the actual or purported facsimile signature or signatures resemble the facsimile specimens duly certified to or filed with the First National Bank and Trust Company and the Union Bank & Trust Company of Helena, Montana, by the Secretary or other officer of The Teachers' Retirement System.

J. L. Gleason
J. L. Gleason

Harriet E. Miller
Harriet E. Miller

George H. Hayes
George H. Hayes

Christine M. Jasper
Christine M. Jasper

Jess W. Whitney
Jess W. Whitney

Resolution No. 38

RESOLUTION OF APPRECIATION

WHEREAS, the Honorable Mr. John L. Savage, a member of the Board of The Teachers' Retirement System, State of Montana, has served diligently and faithfully as a Board member from January 1, 1950 to July 1, 1962 and as Chairman of the Board from January 7, 1957 to July 1, 1962, and

WHEREAS, it is the sincere and considered opinion and judgment of the members of the Board of The Teachers' Retirement System and its administrative staff, who have served with him during his years of membership, and the many members of the Teachers' Retirement System, that he has administered his office with ability, understanding, great judgment, justice and most commendable success, and

WHEREAS, he has contributed willingly and generously of his valuable time, talents, experience and counsel in the equitable administration of the Teachers' Retirement System and has exerted every effort in providing an equitable enforcement and interpretation of the Teachers' Retirement Law, now therefore

BE IT HEREBY RESOLVED, that his fellow members of the Board, its administrative staff, and the members of the Teachers' Retirement System of Montana extend and express their sincere and heartfelt appreciation to Mr. John L. Savage for his exemplary administration, splendid leadership and outstanding accomplishments during the years he has served as Board member and as Chairman.

J. L. Gleason
Chairman

Vice Chairman

Leo Sayer
Member

Jess W. Whitney
Member

Christopher R. Jacobsen
Member

ATTEST:

[Signature]
Executive Secretary

Retirement Board Meeting
September 22, 1962

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Gleason. In attendance were members Mr. Hayes and Mr. Whitney, the actuary--Mr. Young and the Secretary, Mr. McKinny. The Secretary reported that Miss Miller and Mrs. Jasper were unable to attend. The Board congratulated Mr. Jess Whitney on his appointment to the Board and welcomed him to his first meeting.

The minutes of the June meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Hayes and a second by Mr. Whitney.

The Secretary presented the monthly Financial Report, which was reviewed, and also presented his work progress reports. The reports were ordered placed on file by a motion by Mr. Whitney and a second by Mr. Hayes. The State Examiners Report was next reviewed and the Secretary explained the cause of the Examiner's comments relative to the bank balance exceeding the trust receipts. Even though most of the balances that exceeded the trust receipts were in the middle of the month, the Board felt that additional money should be put in trust for the System by the Union Bank and the Secretary was instructed to have the bank pledge additional securities as trust receipts.

The Board then considered Resolution #37, which permits the First National Bank and the Union Bank to authorize facsimile signatures of Mr. Whitney. The Resolution was approved on a motion by Mr. Hayes and a second by Mr. Whitney.

Resolution #38, commending Mr. Savage for his service as a member of the Board and as Chairman, was approved unanimously on a motion by Mr. Hayes and a second by Mr. Whitney.

The following payrolls for the fourth quarter were approved on a motion by Mr. Whitney and a second by Mr. Hayes:

Pension Payroll	approximately	\$136,250.00	per month
Office Payroll	approximately	2,650.00	per month

The Board next considered the request of The Real Estate Mart, Inc. of Billings for a Servicing Agreement for the purpose of selling the System FHA and VA guaranteed mortgage paper. Mr. Hayes moved that the Secretary be instructed to secure the proper signatures to our standard Agreement. Mr. Whitney seconded the motion which was approved.

The Board then considered the request of Edith Paxson to be removed from the retirement rolls and have her contributions refunded. Mr. McKinny explained that Mrs. Paxson called at the office in March and that he gave her an estimate of her benefit and she signed the application for retirement allowance. In August she wrote for her contributions explaining she had cashed her benefit check for July thinking the check was some other insurance plan. After a full discussion concerning this request, the Board, on a motion by Mr. Hayes and

a second by Mr. Whitney, ruled that the request could not be honored as she had accepted and cashed her first check.

The following equipment purchase was approved on a motion by Mr. Hayes and a second by Mr. Whitney:

- | | |
|-----------------------------------|---------------|
| 1. 10 Posting Trays & 10 stands | \$ 980.00 net |
| 2. 2 5-Drawer G. F. Superfilers @ | 142.80 each |

The Board next considered the possible legislation that would be introduced in the coming legislative session. The Secretary reported the Legislative Council would probably introduce a bill to put the System's funds back into the Treasurer's office and group them with other agency funds. The Board took no action pending a study of the bill and its effect on the System.

The Secretary reported the Montana Retired Teachers' Association would introduce a bill to raise the minimum benefit to \$100 per month with a companion bill to hold the employer contribution rate at 3 3/4 per cent after 1965. The Actuary was instructed to make a calculation to see if this would be ample to finance such an increase. On a motion by Mr. Whitney and a second by Mr. Hayes, the Board again instructed the Secretary to draw up and have introduced a bill to remove the salary ceiling from the law.

The Board then considered the possibility of amending the investment law for the purpose of diversifying and increasing yields in its investments. The Secretary was instructed to draw up a bill to permit the System to invest in the same type of investments that a Montana chartered Life Insurance Co. can invest its legal reserves.

Next, the Board considered the Secretary's request to attend the NCTR Convention in New Orleans October 3-6, 1962. Mr. Hayes moved that the request be granted. Mr. Whitney seconded the motion which was approved.

The following applications for survivor's benefits were approved on a motion by Mr. Hayes and a second by Mr. Whitney:

- | | |
|----------------------|--|
| 1. Patricia Driscoll | Survivor of Joanna Driscoll, Silver Bow |
| Average salary | \$6,000.00 |
| Total service | 41½ years |
| Beneficiary's age | 31 |
| Member's age | 70 |
| Benefit | <u>\$132.08</u> |
| 2. Bernard McDonald | Survivor of Catherine McDonald, Deer Lodge |
| Average salary | \$5,841.67 |
| Total service | 13 years |
| Beneficiary's age | 38 |
| Member's age | 47 |
| Benefit | <u>\$ 26.95</u> |
| 3. Agnes Hide | Survivor of John C. Hide, State College |
| Average salary | \$6,000.00 |
| Total service | 28½ years |
| Beneficiary's age | 56 |
| Member's age | 57 |
| Benefit | <u>\$77.75</u> |

The following applications for disability benefits were approved on a motion by Mr. Hayes and a second by Mr. Whitney:

1. Frances Kohones (cancer)	Custer County
Average salary	\$2,985.00
Service	10 years
Beneficiary's age	45
Member's age	49
Benefit	<u>\$38.42 Opt. #3</u>
2. Richard Beardsley (Heart trouble)	Flathead County
Average salary	\$5,465.00
Service	12 $\frac{1}{2}$ years
Member's age	50
Benefit	<u>\$113.86</u>
3. Winona Denny	Yellowstone County
Average salary	\$6,000.00
Service	22 $\frac{2}{3}$ years
Member's age	59
Benefit	<u>\$169.98</u>

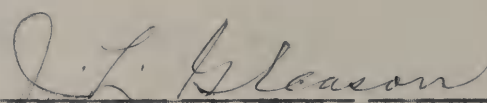
The following applications for retirement benefit were approved on a motion by Mr. Whitney and a second by Mr. Hayes:

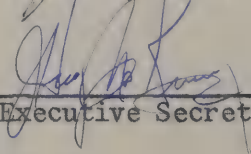
	<u>County</u>	<u>Average Sal.</u>	<u>PS</u>	<u>CS</u>	<u>Benefit</u>
1. Aahl, Martin	Vested Rights	\$ 5,000.00	11	28	\$ 139.14
2. Anderson, Cecilia	Cascade	6,000.00	21	38	253.29
3. Baines, Elsie	Blaine	4,226.00	4	13	56.38
4. Barnett, Grace	Missoula	5,840.00	14	29	167.77
5. Baum, C. W.	Vested Rights	6,000.00	10	32	162.74 Opt. #4
6. Bierrum, Stella G.	Western	5,000.00	6	16 $\frac{1}{2}$	78.22
7. Boggs, N. Loreen	Carter	3,825.00	12 $\frac{1}{2}$	27 $\frac{1}{2}$	100.55
8. Boelter, Elvera H.	Sweet Grass	4,050.00		24	78.12
9. Campbell, Ursula	Missoula	5,780.00	17 $\frac{1}{2}$	36 $\frac{1}{2}$	221.51
10. Case, Florence G.	Gallatin	3,240.00	10 $\frac{1}{2}$	22 $\frac{1}{2}$	74.73
11. Clark, Jeanette O.	Yellowstone	6,000.00	18	37 $\frac{1}{2}$	236.79
12. Cooper, Vernom	Eastern	6,000.00	5	27 $\frac{1}{2}$	154.78 Opt. #4
13. Cowan, Miriam	Lincoln	5,050.00	2	24 $\frac{1}{2}$	96.65
14. Crockett, John	Meagher	3,733.00	2	12 $\frac{1}{2}$	43.61
15. Curry, Tesse K.	Sanders	5,850.00	11 $\frac{1}{3}$	39 $\frac{1}{3}$	158.15
16. Denton, Glen L.	Custer	5,946.67	14	35	185.29 Opt. #4
17. Dykes, Emma	Cascade	6,000.00	25	38 $\frac{1}{2}$	242.17
18. Eirman, Lora F.	Yellowstone	6,000.00	16 $\frac{1}{2}$	38 $\frac{1}{2}$	231.00
19. Ericson, Evelyn	Vested Rights	2,600.17	14	25	70.46
20. Flanagan, Mary M.	Vested Rights	4,366.67	3	19	72.80
21. Frates, Bessie B.	Yellowstone	6,000.00	16	35	215.15

22.	Gregory, Juliet M.	Missoula	5,396.00		16	77.17	
23.	Hanley, C. Ethel	Fallon	3,300.00	4	15 $\frac{1}{2}$	50.50	
24.	Irwin, Marie	Valley	4,673.33		23 $\frac{1}{2}$	91.65	
25.	Keith, Beulah M.	Wibaux	4,183.33		20	72.12	
26.	Kettleson, Clara K.	Yellowstone	6,000.00	19	38	239.62	
27.	Larson, Victoria	Deer Lodge	5,925.00	18	41	241.35	
28.	Miller, Adelaide	Gallatin	3,090.00	9	20	64.94	
29.	Mitchell, Bonnie	Treasure	3,450.00	2	17	52.59	
30.	Norville, H. W.	Jefferson	6,000.00	13	35 $\frac{1}{2}$	193.27	Opt. #4
31.	Ogren, Ragnar L.	Lewis & Clark	5,768.66	13	36	161.62	Opt. #4
32.	Powell, Grace N.	Flathead	3,633.33	2	18 $\frac{2}{3}$	59.88	
33.	Reffner, Mary	Yellowstone	6,000.00	12	29	174.50	
34.	Setter, Frances B.	Fergus	3,866.67	2	20	73.01	
35.	Shephard, Gertrude M.	Missoula	5,205.00	4	13	68.82	
36.	Sweeney, Juanita L.	Silver Bow	4,302.67	1 $\frac{1}{2}$	16 $\frac{1}{2}$	62.12	
37.	Taylor, Ethel L.	Valley	5,164.00	9 $\frac{2}{3}$	31 $\frac{2}{3}$	143.33	Opt. #3
38.	Turner, Carl W.	Phillips	4,775.00	14 $\frac{2}{3}$	35 $\frac{2}{3}$	172.45	
39.	Viste, Laura M.	Dawson	3,000.00		17 $\frac{1}{3}$	47.27	
40.	Waarst, Roschelle	Wibaux	3,950.00	10	27	99.17	
41.	Watson, Violet Hope	Meagher	3,833.33	10	21	80.28	
42.	Wilson, Hazel B.	Musselshell	4,602.00	14 $\frac{1}{2}$	35	159.64	
43.	Zeits, Golda M.	Missoula	3,271.67	5	13	41.47	
44.	O'Brien, Dora	Silver Bow	5,285.00	24	39	207.70	
45.	Coleman, Marie	Fergus	4,233.00	7	27	105.79	Opt. #2
46.	Ulland, Ann	Yellowstone	6,000.00	1 $\frac{1}{2}$	35	155.78	Opt. #2
47.	Langley, Susan	Toole	4,100.00	11	30 $\frac{1}{2}$	119.44	
48.	Kay, Kenneth	Pondera	4,951.00	9	34	152.07	Opt. #2

The next meeting of the Board was set for 10:00 a.m., December 15, 1962, with the hour subject to change by the Secretary in case of bad weather.

The meeting adjourned at 12:30 on proper motion and second.


Chairman, J. L. Gleason


Executive Secretary, J. Hugh McKinny

Executive Secretary's Report
September 22, 1962

This has been a very busy quarter for the office. We have had 106 additions to the payroll (96 retirements, 6 survivorships and 4 disabilities). These additions brought our total payroll to 1,233 (\$136,214.22) last month. The average benefit check is now \$110.47. We still have 29 of the original 230 we started with in 1937. In August last year we had 35.

Right after the Bank Examiners left, our posting equipment arrived right on schedule. The service men got it operating right away and then we had to sit and wait for our forms. Fortunately most of this waiting period was when the vacations were scheduled so that when the sheets finally arrived on August 27 we were all back on the job. Since that date we have been extremely busy. We all worked an additional three hours each night the first week. We were pretty tired by Labor Day weekend but my wife and I worked the three full days of that weekend. By all that extra effort we have all our posting records done. We had posted two vouchers and balanced out twice by September 20. As of now, we also have at least three-fourths of the mortgage accounts posted through the end of August. So far, the posting machine has been up to our expectations but we do have a power fluctuation in the daytime that affects the auto-reader. The Montana Power Company will have to correct this.

The teachers' lists have been coming in and we are now at work changing over the counties. We have about 10 counties completed now. This could not be started before we balanced out on the 20th.

I attended a meeting of the Rocky Mountain Public Trust Fund Officers in Salt Lake the 6th and 7th of this month. They had speakers from the Wisconsin System, New Mexico System and Sears Roebuck & Co.. Sears' retirement plan has been fabulous--90 per cent invested in Sears stock. New Mexico has had a lot of unjust criticism from one newspaper. One reporter doesn't write anything good about anyone. I thought they had a very good meeting even though the bond companies and banks were more noticeable than at other meetings.

The investment picture here in Montana has been very slow this summer. As far as municipals are concerned we could only get very small issues. Eastern firms bid the yields too low on all the big issues. Since July 1 we have purchased the following municipals and governments:

Blaine Co., S. D. #10	50,000.00	@	3.80
Ravalli Co., S. D. #3	45,000.00	@	3.80
Libby Public Library	24,000.00	@	3.85
Beaverhead Co., S. D. #7	15,000.00	@	3.90
Richland Co., S. D. #4	40,000.00	@	3.85
Lincoln Co. H. S., S. D. #4	15,000.00	@	3.80
Cascade Co., S. D. #39	38,000.00	@	3.80
U. S. Treasury Bonds, 4 $\frac{1}{4}$	125,000.00	@	4.10

The mortgage market has been slow but I do have an offering from the Montana Bank, Great Falls, and from the Security Bank in Billings. The

discounts have been varying but we are still trying to hold at 3 per cent. I have had refusals at that price from both Bozeman banks. It would appear that this rate is tightening up--especially with winter on us.

The government market has been holding just under 4 and will probably get stronger through the winter also.

Retirement Board Meeting
December 15, 1962

The meeting was called to order at 10:00 a.m. by Mr. Gleason, the Chairman of the Board. In attendance were members Mrs. Jasper, Mr. Hayes and Mr. Whitney. Also in attendance were Mr. Young and Mr. McKinny. Miss Miller was unable to attend because of a conflicting meeting.

The minutes of the September meeting, having been mailed to the members previous to the meeting, were approved on a motion by Mr. Hayes and a second by Mrs. Jasper.

The Secretary then presented his quarterly report and reviewed the financial statement. Both reports were ordered placed on file by a motion by Mr. Hayes and a second by Mrs. Jasper.

The following payrolls for the first quarter of 1963 were approved on a motion by Mr. Whitney and a second by Mrs. Jasper.

Retirement	approximately	\$ 137,500.00	per month
Office	approximately	2,650.00	per month

The Board next reviewed the old business and took up pending legislation. On a motion by Mr. Whitney and a second by Mr. Hayes the Secretary was instructed to present a bill to the legislature removing the salary ceiling and giving prior service credit for Korean War service and a bill to amend the long-term investment law to include corporate and public utility bonds and bonds of U. S. government agencies. The motion was unanimously approved. The Secretary then reviewed the Montana Retired Teachers' Association's bill to increase the minimum benefit. The Secretary was instructed, on a motion by Mr. Hayes and a second by Mrs. Jasper, to watch the bill and see that it contained provision for ample income to finance the increase or the Board would find it necessary to oppose the measure. The motion was unanimously approved.

Since the Legislative Council's proposals were not as yet available, the Board could not express any opinions as to the desirability of their legislation.

The Board next considered the possibility of the System offering tax-sheltered annuities to its members. After a thorough discussion, Mr. Whitney moved that the Board approve the principle of tax-sheltered annuities and upon clarification of the procedures by either legislation or rulings by the Internal Revenue Service, the System would do everything possible to implement the program. Mr. Hayes seconded the motion which was approved.

The Board next considered the interest rate payable on the teachers' savings accounts for the year 1962-63. After a review of the earnings for last year and a discussion of future earnings it was moved by Mr. Hayes and seconded by Mr. Whitney that the present rate of $3\frac{1}{2}$ per cent be retained for the coming year. The motion was unanimously approved.

The Board next considered the Secretary's request for addressograph equipment. The Secretary reported that the Industrial Accident

Board had a used addressograph and graphotype plus several files and hundreds of plates that they would sell to the System for \$900. Since similar new equipment would run well over \$4,000, Mrs. Jasper moved the purchase of the equipment and Mr. Hayes seconded the motion which was approved.

The following application for survivor's benefit was approved on a motion by Mrs. Jasper and a second by Mr. Hayes:

Iola Braun	Survivor of Oscar Braun - age 48
(age 37)	24 years of service
	Average salary \$5,166.67
	One minor child
	Monthly benefit \$84.33

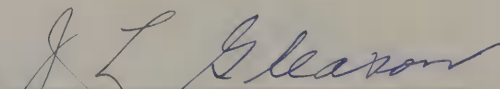
The following application for disability was approved on a motion by Mrs. Jasper and a second by Mr. Whitney:

Kenneth Kins	Age 55
	18½ years membership service
	Average salary - \$5,491.92
	Benefit \$ 114.43

The following applications for retirement benefit were approved on a motion by Mr. Hayes and a second by Mrs. Jasper:

	<u>County</u>	<u>Age</u>	<u>Average Salary</u>	<u>PS</u>	<u>CS</u>	<u>Benefit</u>
1. Myers, Jean	Lincoln	61	\$ 4,141.67	3½	10½	\$ 43.00
2. Cowan, Alvina	Pondera	65	4,211.00	1	25½	
3. Pemberton, T. E.	Yellowstone	64	6,000.00	21	42	
4. Shipstead, Alma	Daniels	70	3,504.00	14 ² / ₃	35	126.83
5. Heinrichs, Helen	Treasure	69	3,295.00	21	35	138.98
6. Strand, Lura	Big Horn	75	4,217.00	18	35	173.40
7. Phillips, Pearl	Judith Basin	66	3,630.00	½	22	70.05
8. Ternstrom, Alice	Liberty	60	3,519.00	13	37½	130.46
9. Holmes, Melanie	Phillips	73	3,916.00	11	31½	118.79 Opt.2
10. Watt, Robert	Missoula	63	5,325.00	10	32	168.80
11. Hamman, Muriel	Lake	65	4,338.00		19½	72.48
12. Saxtorph, Gertrude	Fergus	60	5,258.33	5	16	98.36
13. Armstrong, Mollie	Sweet Grass	63	3,165.00	6	20½	
14. Norum, Evelyn	Cascade	62	4,016.67	13	22	94.83
15. Eisenbart, Ray	Wibaux	67	4,948.00	8 ² / ₃	34 ¹ / ₂	164.45

The next meeting of the Board was set for 10:00 a.m., March 16, 1963, and the meeting adjourned at 12:30 p.m. on proper motion and second.


Chairman, J. L. Gleason

Executive Secretary, J. Hugh McKinny

Executive Secretary's Report
December 15, 1962

Investing for a public retirement fund is quite different from investing for any other type of fund. Up until now the only way you could learn anything about it was by experience. Bank investors have had summer schools to attend and take high-powered courses to learn their field. It is now quite apparent that the University of Wisconsin and the University of California will now begin a three-summer course in public investments with the classes running two weeks each summer. The last I knew, Wisconsin will not be able to start this summer but would the summer of 1964. California is still attempting to open their school this summer. I don't know the cost at the University of California but at Wisconsin the only cost would be a \$5 registration fee and this also permits you to live and eat at the University. At the next meeting I should have more to report on the possibilities of these schools.

Our investments for the past quarter include:

Bonds

\$ 200,000.00	4½	Federal Land Bank Bonds @ 4.02
15,000.00	3.8	Lincoln Co., S. D. #4 Bonds par
47,000.00	3.75	Cascade Co., S.D. #39(Simms) 3.8

Mortgage Offerings

\$ 232,960.00	Montana Bank	@ 2½% discount
144,987.00	Security Trust, Billings	@ 3% discount
138,762.00	Union Bank & Trust Co.	@ 3½% discount

The Bond market has been very dull. The government market has been stable at just under 4 per cent on the long-term issues and there have been very few Montana municipal issues. At a Monday night sale at Richey the long-term issues sold to yield 3.55. We, of course, didn't buy any of that issue. Several bond firms have been interested in buying some of our short-term municipals but only one company has offered to take any at par.

Work this past quarter, because of a late start with our new equipment, has been a matter of trying to catch up. At the present time I feel that we are about three days behind. I had hopes that we would be all caught up by Christmas but Mrs. Baird, our posting clerk, had a major operation and will be gone two weeks. We are only behind on posting mortgage payments and PAF payments. Teachers' accounts are right up-to-date.

Travel this past quarter, in addition to trips concerning mortgage paper, includes attending the MEA Conventions, estimates at the University and talking to the Local at Whitehall.

Our remittance sheets have been coming in more promptly this year. We have very few delinquent districts. I think it is because we added a little red tape--the three-digit account numbers.

The purpose of The Teachers' Retirement System is to improve the education system in Montana. To do this the Retirement System must give the teacher security for retirement, security for disability and security for his family in case of death before retirement. It is the Board's responsibility to see that the Retirement System is strong enough to meet this obligation.

In order to strengthen the System the Board is recommending two amendments to the law. One amendment would remove the salary restrictions and the other would liberalize the investment law.

In the twenty-six years the System has been in operation, the salary ceiling has been raised two times:--from \$2,000 to \$5,000 in 1949 and from \$5,000 to \$6,000 in 1959. Each time it was increased, there was a large drain on the retirement funds because the salaries that the retiring teachers were earning were over the ceiling at that time. Today, many teachers, other than those about to retire, are earning over \$6,000 and we are aware that before they retire the salary ceiling will be raised above what they are now earning. We realize that these salaries are now liabilities of the retirement funds and we are not collecting employer contributions to pay these people their retirement benefits when they retire. We feel that if we collect both employee and employer contributions on the teacher's actual salary at the same percentage we are now collecting, the pension fund will always remain solvent, but if the salary ceiling remains at its present level any longer, the funds will be in jeopardy when the ceiling is at last raised.

The Retirement Board is limited by law to invest the funds in general tax obligations of the state of Montana and the U. S. government and in FHA and VA guaranteed mortgage paper. As of June 30, 1962, 46 per cent of the funds were invested in mortgage paper (\$11,000,000) and the remaining 54 per cent divided about equally between United States (\$6,300,000) and Montana (\$6,400,000) general tax obligation bonds. Two prime reasons affecting our decision to liberalize the investment law are diversification and interest earnings. We feel that we have too large a percentage invested in mortgage paper which holds up the interest earnings; Montana municipal offerings are limited and probably will be for another 10 years because of the recent school building programs; long-term government issues are too long and their interest earnings are too low.

Interest earnings are of prime importance to a retirement system. The more interest the money earns, the more income for the fund. Higher earnings to the pension fund would make the pension fund stronger and increase the benefit paid to the retiring teachers from their own money. In this way, we would try to maintain the value of the teacher's dollar close to the value it was when it was paid into the Retirement System.

The Montana Retired Teachers' Association is sponsoring a bill to increase the minimum retirement benefit in order to increase the payments to the teachers who retired years ago. The Retirement Board wishes to point out that this increase in benefits must be paid for out of additional funds and not from present funds. Present funds are only strong enough to pay present benefits.

MINUTES

The Teachers' Retirement Board Meeting
March 16, 1963

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Gleason. In attendance were Miss Miller, Mr. Hayes and Mr. Whitney and also the Actuary, Mr. Young and the Secretary, Mr. McKinny.

The minutes of the December meeting, having been read prior to the meeting, were approved on a motion by Mr. Hayes and a second by Mr. Whitney.

The Secretary presented his report and reviewed the financial statement and they were ordered placed on file on a motion by Mr. Whitney and a second by Mr. Hayes.

The payrolls for the second quarter of 1963, in the approximate amounts listed, were approved on a motion by Miss Miller and a second by Mr. Whitney.

Office Payroll	\$ 2,825.00 per month
Retirement Payroll	138,750.00 per month

The Board next considered unfinished business from the previous meeting and again discussed tax-sheltered annuities. After a review of the problem, Mr. Whitney moved that the System accept voluntary extra contributions, as provided in the present law, on the tax-sheltered annuity basis and that total salary up to \$7,000 be used as the basis for normal contribution to the Retirement System. Mr. Hayes seconded the motion which was unanimously approved.

The Secretary then reported his reply from the Attorney General's office on the request for an opinion regarding application of Korean War service as prior service under the Teachers' Retirement Act. The Attorney General cited an opinion calling the Korean conflict a War for the purpose of free fees and tuition in the University of Montana and held, therefore, that the System must give credit for military service from July 1, 1950, to December 31, 1953, as prior service.

The Board next considered a request for a Servicing Agreement for the purchase of FHA and VA loans from the Bank of Baker. The Secretary was instructed to draw up the usual agreement and secure the proper signatures on a motion by Mr. Hayes and a second by Mr. Whitney.

Jeannette Garver's request for a release of her Vested Right was next considered by the Board. The Secretary explained that Miss Garver wanted to get out-of-state credit in the California System at a much higher rate of salary than earned in Montana so that it would be of greater value to her in the California System. After a thorough discussion, Miss Miller moved that the request be granted provided it was agreeable with the California System and that if the California System agreed, the refund check of Miss Garver's contributions be made out directly to the California

System. Mr. Whitney seconded the motion which was approved.

The Board next discussed House Joint Resolution No. 17 concerning the feasibility of consolidation of the Retirement Systems on the administrative level. The Board took no action pending any decisions of the Legislative Council.

With the passing of HB 211 the System can now invest in Public Utility Bonds rated A or better and Railroad Equipment Trust Certificates. After a short discussion it was agreed that it was unwise to set a new investment policy at this time. However, Miss Miller moved the finance committee do invest in Public Utility Bonds on the market but to proceed with caution. Mr. Whitney seconded the motion which was unanimously approved.

In order to prevent our dormant accounts to escheat to the state general fund after a period of elapsed time, Mr. Hayes moved that all Annuity Savings Fund accounts dormant for a period of just under seven years be transferred to the Pension Accumulation Fund. Mr. Whitney seconded the motion which was also approved.

The Board next considered the Secretary's request to attend a school on the investment of public retirement funds at the University of California. Mr. Hayes moved that the Secretary be requested to attend, at the System's expense, one summer session. Mr. Whitney seconded the motion which was approved. It is also noted for the record that Miss Miller voted against the motion.

The following applications for survivor's benefits were approved on a motion by Miss Miller and a second by Mr. Hayes:

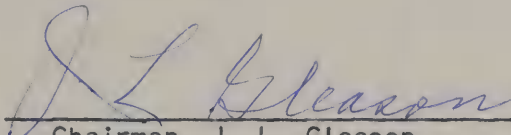
- | | |
|--------------------------------|---|
| 1. Merle Bowers
Age 62 | Survivor of Bernice Bowers, age 62
21 years creditable service
Average salary \$3,717.00
Benefit 73.25 |
| 2. Gordon McLaughlin
Age 55 | Survivor of Cecille McLaughlin, age 54
34½ years creditable service
Average salary \$5,734.33
Benefit 112.50 |
| 3. Robert & Oliver Harker | Survivors of Florence Harker, age 63
25 years creditable service
Average salary \$5,325.00
Benefits approx., \$34.62 & \$33.71 |

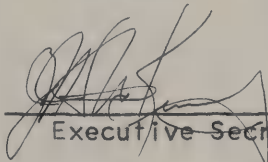
The following applications for retirement benefit were approved on a motion by Miss Miller and a second by Mr. Whitney:

	<u>Age</u>	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Average Sal.</u>	<u>Benefit</u>
1. Cooper, Elizabeth	60	Vested Right	6	13	\$ 3,400.00	\$ 58.46
2. Coleman, Gladys	60	Vested Right	13	17	4,376.66	131.03
3. Walters, Helen	60	Vested Right	2	12	3,763.33	48.47
4. White, Pauline	60	Vested Right	7	18 2/9	2,583.33	59.56
5. Tetrick, Myrtle	60	Vested Right	12 2/9	10 4/9	3,096.67	72.55
6. Pound, Grace	60	Vested Right	9	8	3,185.00	56.89
7. Zeh, Helen	60	Vested Right	9	8	4,973.67	88.75
8. Burke, Julia	60	Vested Right	11	25	6,000.00	200.12
9. Haggard, Lula	60	Vested Right		10	3,216.67	28.15

The next Board meeting was set for Saturday morning, May 25, at ten o'clock on a motion by Mr. Hayes and a second by Mr. Whitney.

The meeting adjourned at 12:30 p.m. on proper motion and second.


 Chairman, J. L. Gleason


 Executive Secretary, J. Hugh McKinny

EXECUTIVE SECRETARY'S REPORT
March 16, 1963

The legislature adopted two measures which will affect our System; to what extent, I still do not know. I do know our funds for retirement are to be put into the agency funds and our expense money into the revenue fund. It apparently takes an appropriation to get money out of the revenue fund and they appropriated, from the revenue fund, \$45,496 for 1963-64 and \$52,296 for 1964-65, and, in effect, said that if we needed more, we could get more with the approval of the budget director. The other bill is a House Resolution concerning the administration of all of Montana's Public Retirement Systems. I have the bill noted on the agenda.

Our salary ceiling bill, as you know, was amended to \$7,000 and was passed with great effort on the part of Representative Spahr from Cascade. We had other help at key times from Kvaalen, Seymour, Lund and Raundal.

We had no trouble with the investment bill. In the words of the legislature, it was "greased" and most of the members of that eminent body didn't know it was there. The increased minimum benefit bill also passed without any trouble.

In spite of the legislative session our work has been kept up-to-date. We went to work on our addressograph equipment right after the last meeting. We have plates now on all school clerks and for the teachers in all the bigger schools. I feel we are about half way through pounding out the plates. When we bought the used equipment I found out they didn't have enough filing cabinets so we had to get more. The frames to hold the individual plates were no good to us either. They had been used too many times so that the tabs holding the identification strips were pounded down and they were all two-position frames and we needed only a one-position frame. I still feel, however, we got a very good bargain. The extra work caused in setting up the plates has made it necessary to employ Mrs. Morris on a full-time basis.

The investment picture this past quarter has not been at all bright. The only good buy in bonds was \$350,000 of 4 1/8 Federal Land Bank Bonds at par. This was a new issue which is the reason we were able to get them at par. The other governments bought (also Federal Land Bank) were 4 1/4's of 74's to yield about 4.05. This was a group of \$225,000. We also were able to buy some mortgage paper in the following amounts:

Great Falls National Bank, Great Falls	\$ 106,862.92 @ 97
Streeter Brothers, Billings	62,521.52 @ 96 & 96 1/2
Security Trust & Savings Bank, Billings	92,736.37 @ 97
Union Bank & Trust Co., Helena	183,165.54 @ 97 & 97 1/2
The First National Bank, Glasgow	205,448.74 @ 97 1/2

Mortgage paper has become extremely hard to get and it is fortunate that we will now be able to get public utility bonds. The interest rates on these bonds (on the new issues) have been running from 4.22 - 4.32 for the past few weeks.

My travel this past quarter has been limited to a trip to Great Falls and a speaking engagement at Big Timber. I also spoke this week at the Helena MEA meeting.

MINUTES

The Teachers' Retirement Board Meeting
May 25, 1963

The meeting was called to order by the Chairman, Mr. Gleason, at 10:00 a.m.. Also in attendance were members, Mrs. Jasper, Mr. Hayes, Mr. Whitney and the Actuary, Mr. Young and the Executive Secretary, Mr. McKinny.

The minutes of the March meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Whitney and second by Mr. Hayes.

The Secretary presented his quarterly report which was ordered placed on file. Following the investment report, Mr. Hayes moved the finance committee be permitted to sell any or all of the Montana municipals, which the System holds, at the best possible price or advantage to the System. Mr. Whitney seconded the motion which was unanimously approved.

The Board next approved the following approximate payrolls for the 3rd quarter of 1963 subject to any additions to be added by approvals later on in the agenda. The motion was made by Mr. Hayes and seconded by Mrs. Jasper.

Office payroll	\$	2,825.00	per month
Retirement payroll		138,000.00	per month

The Board next considered the Secretary's request to destroy remittance sheet records for the fiscal year, 1952-53. Mrs. Jasper moved the Secretary be permitted to destroy the records pending the approval of the Historical Commission. Mr. Whitney seconded the motion which was approved.

Next the Board considered the Secretary's request for additional equipment. Mr. Whitney moved the purchase of a Pitney-Bowes postage meter at a cost of \$938.50 which was seconded by Mrs. Jasper.

Mr. Hayes moved the purchase of two Marchant calculators at a net cost of \$755 which was seconded by Mr. Whitney and Mrs. Jasper moved the purchase of one Underwood Electric Typewriter at a net cost of \$431. Mr. Whitney seconded the motion and all motions were unanimously approved.

Before taking up the approval of the budget, the Board skipped over to the discussion of salary adjustments for the staff. After a discussion on salaries approved by the last legislature, Mr. Hayes moved the approval of the requests presented by the Secretary for his staff except Mr. Schneider who should be raised to \$600 per month. Mr. Whitney seconded the motion which was unanimously approved. Following a discussion on the Secretary's

salary, in line with other salaries paid by the state, Mr. Hayes moved that the Secretary's salary be increased to \$10,200 per year. Mr. Whitney seconded the motion which was unanimously approved.

Elsie Wilcox	\$ 355.00 to \$370.00
Naomi Didriksen	325.00 to \$340.00
Virgie Baird	285.00 to \$310.00
Dorris Morris	377.50 to \$390.00

Mr. Whitney then moved the actuary's salary be increased to \$300 per month and Mr. Hayes seconded the motion which was also approved.

The budget for 1963-64, as amended, was then approved on a motion by Mr. Whitney and seconded by Mrs. Jasper.

BUDGET 1963-64 (additions as amended to be added)

Salaries	\$ 32,180.00
Industrial Accident	32.03
PERS & OASI	2,126.79
Payroll, IBM	300.00
Actuary	3,300.00
Rent	1,026.00
Board	500.00
Postage	2,000.00
Travel	2,000.00
Tel & Tel	550.00
Maintenance	1,000.00
Printing	1,500.00
Supplies	650.00
Dues & Subscriptions	700.00
	<u>\$ 47,864.82</u>

The following interim applications for retirement were approved on a motion by Mrs. Jasper and a second by Mr. Hayes:

1. Hansmeier, Martin P. age 60 Vested rights $\frac{1}{2}$ yr PS, 12 yrs. MS
Average salary \$4,600.00 Benefit \$52.56
2. Hill, Bess H. age 69 Judith Basin 3 yrs. PS, 21 $\frac{1}{2}$ Yrs. MS
Average salary \$3,800.00 Benefit \$84.03
3. Huddleston, Julia age 60 Carbon 12 $\frac{1}{2}$ yrs. PS, 11 $\frac{1}{2}$ yrs. MS
Average salary \$3,300.00 Benefit \$81.45

The following applications for retirement benefit were reviewed and unanimously approved following a motion by Mrs. Jasper and a second by Mr. Hayes:

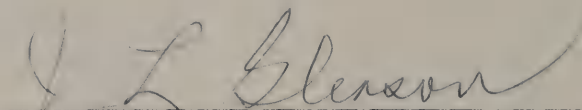
	<u>Age</u>	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Av. Salary</u>	<u>Benefit</u>	
1. Beckley, Lily	60	Musselshell	13	25 $\frac{2}{3}$	\$ 4,323.33	\$158.92	
2. Burke, Mary R.	70	Silver Bow	21	26	5,758.14	233.61	Option 2
3. Canty, Kathryn N.	66	Silver Bow	10 $\frac{2}{3}$	26	6,623.66	217.48	Opt. 2

4.	Collings, Bessie S.	65	Chouteau	6	14	\$	3,775.00	\$ 71.44	
5.	Cronin, Nona L.	66	Silver Bow	8 $\frac{1}{3}$	26		6,235.00	195.91	Opt. #2
6.	Dahl, Cora	66	Park	14 $\frac{1}{3}$	26		5,768.00	208.03	
7.	Fagerberg, Jessie	64	Lincoln	13	26		6,459.00	221.11	
8.	Felix, Mildred	70	Ravalli		19		4,058.67	70.13	
9.	Frost, Florence E.	68	Yellowstone	4	22 $\frac{1}{2}$		5,125.00	124.14	
10.	Griffin, Serene	65	Roosevelt	19	25		4,666.67	191.05	
11.	Harris, Robert W.	62	Glacier		20		6,108.33	107.24	
12.	Harrington, Leona L.	70	Flathead		18		6,666.67	101.81	
13.	Hillier, Losee	65	Madison	14	20 $\frac{1}{2}$		4,038.33	122.87	Opt. #3
14.	Jackson, Mae	61	Petroleum	3	15		3,675.00	58.29	
15.	Just, Mary A.	65	Park	17	25		5,855.00	225.41	
16.	Klies, Adolph	68	Hill	10	26		6,666.67	229.81	
17.	Lucius, Alta H.	70	Yellowstone		20		6,506.67	110.29	
18.	Long, Kathleen	65	Park	10	15		3,133.33	79.25	
19.	Lyksett, Eva M.	62	Yellowstone	13 $\frac{1}{3}$	26		6,560.00	237.77	
20.	McGregor, Mildred P.	64	Powell	4 $\frac{1}{3}$	10 $\frac{2}{3}$		3,793.33	54.37	
21.	Miller, Anna F.	66	Flathead	1 $\frac{1}{3}$	14 $\frac{1}{2}$		4,358.33	63.34	
22.	Reardon, Mary J.	67	Silver Bow	4	26		6,623.67	176.59	
23.	Schmidt, Elsie C.	64	Cascade	18	26		6,666.67	270.97	
24.	Steen, Gladys K.	67	Yellowstone	20	26		6,560.00	274.16	
25.	Steen, Myrtle D.	66	Yellowstone	19	26		6,666.67	270.51	
26.	Thomas, Clarence L.	65	Silver Bow	18	26		5,424.97	151.19	Opt. #3
27.	Weberg, Florence N.	65	Flathead	11	26		4,583.33	156.72	
28.	Williams, Winona	65	Missoula	17	26		6,533.33	249.87	
29.	Anderson, Alta K.	64	Cascade	19	26		6,666.67	277.38	
30.	Campbell, Frieda	68	Carbon	12 8/9	16		3,533.33	105.76	
31.	Crane, Ethel E.	60	Judith Basin	4	19		3,933.33	81.27	
32.	Dillan, Ellen I.	61	Park	17	25		4,680.00	188.45	
33.	Goslin, Virginia B.	65	State Dept.	12 $\frac{1}{2}$	20		4,340.00	140.79	
34.	Porter, Hilda C.	65	McCone		11 $\frac{1}{2}$		3,450.00	37.59	
35.	Stuart, Velma L.	70	Valley	14	20		6,602.67	225.40	
36.	Weber, Kathryn F.	62	Ravalli	11 $\frac{1}{2}$	26		3,980.00	136.25	
37.	Burke, M. Julia	60	Vested Right	11	25		6,000.00	196.69	Opt. #2
38.	Sweetman, Helen	60	Vested Right	2	11		4,861.67	59.05	
39.	Marsh, Elizabeth	60	Vested Right	12	14		3,863.33	101.25	
40.	Boe, Josephine	60	Glacier	4	20		4,383.33	95.38	
41.	Moor, Florence	60	Valley		29 $\frac{1}{2}$		6,633.33	149.28	
42.	Moore, Cora	63	Deer Lodge	15 $\frac{1}{2}$	20		5,175.00	181.28	
43.	Myster, Blanche	70	Flathead	10	17		6,150.00	188.61	

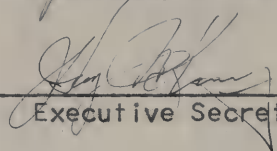
The Board took no action on Helen Frederickson's application for disability as the Physician's Statement had not yet been received.

The Board next considered its organization for the fiscal year, 1963-64. Mrs. Jasper moved that Mr. Gleason should be retained as Chairman. Mr. Hayes seconded the motion which was unanimously approved. Mr. Hayes then moved that Miss Miller be retained as Vice-Chairman. Mrs. Jasper seconded the motion which was unanimously approved.

The next meeting of the Board was set for Saturday morning, September 14, at 10:00 a.m.. At 11:50 a.m. Mr. Hayes moved the meeting adjourn and Mr. Whitney seconded the motion which was unanimously approved.



Chairman, J. L. Gleason



Executive Secretary, J. Hugh McKinny

Executive Secretary's Report
May 25, 1963

As you can see from the exhibits, we made some interesting studies this past quarter. We checked the locations of retired teachers from our April addresses and they really do not show too much change since 1957. The only appreciable change was an increase in percentage of those living in Montana--up from 66 per cent to 71 per cent. I am still surprised at the number living in Minnesota and Wisconsin. We used the April register to make our Montana percentage look its best. January would probably show a lot more living in the "Sun Land".

We ran the mortgage location study more to find out the average loan. It is quite evident that we have more loans in Great Falls and Billings than in any other town. The last time we ran this, our average was \$8,800 so you can see we are up about \$1,200. The last study was made in 1958 on a total of 776 loans.

We are in the process of foreclosing two mortgages which were purchased through the Union Bank. One is in Conrad and the other is in Billings. The Conrad loan was to a contractor who has gone under and the house has several liens against it so it must be foreclosed. The Billings loan is a split family and we are trying to locate the husband but so far no luck. If we can locate him and if there are no liens against the house, we may be able to take clear title right away.

Another interesting count taken was on the number of male and female teachers. Our percentage of females is now down to 59½. In 1952-53 the figure was 71 per cent. We tried to pick the percentage of married females also but it was quite difficult and we came up with a 53 per cent total but it is hardly accurate. During the past two years approximately 245 teachers retired; of this number, 31 were male--about 13 per cent. In the years ahead this percentage will certainly increase.

The Board of Regents has given the University units permission to purchase tax-deferred annuities from The Teachers' Retirement System. With all the inquiries we have had, I think I will have to raise my estimate of the number of people who would be interested in the program. I did not think we would get more than fifty people out of the public schools and about twenty-five out of the University but this will probably be wrong.

We completed our addressograph plates this week and we are now in position to send out the teachers year-end statements of their accounts. We lack a number of addresses and I am sure they're not all accurate but the situation should improve next year.

Our posting machine has been working very well and throughout the year we have had very few delays. This worried me somewhat last summer when

we went to one machine. I had visions of it being broken down often and the posting piling up. As it turned out—after we caught up from initial delays—we have been up-to-date all year.

The first 36 annuitants to be added this year will increase our payroll approximately \$6,150. These teachers have an average age of 65.3; 30½ years creditable service; and an average salary of \$5,289.

We have completed the retirement increases due under HB 250. This will increase our payroll by approximately \$5,462.67 per month. There are 331 affected for an average increase of \$16.50 per month. They have an average male age of seventy-three years. The 1959 raise in the minimum benefit still costs us \$2,877 per month.

INVESTMENT REPORT

May 25, 1963

We have entered the very interesting field of investing in Public Utility Bonds. So far we hold:

\$ 25,000.00	Texas Electric Service	4.27	AA
50,000.00	Madison Gas & Electric	4.29	AA
25,000.00	Texas Power & Light	4.27	AAA
25,000.00	Oklahoma Gas & Electric	4.26	AA
25,000.00	Central Illinois Light	4.25	AA
25,000.00	Atlantic City Electric	4.29	AA
100,000.00	New York Telephone Co.	4.29	AAA
50,000.00	Hartford Electric Light Co.	4.34	AA
300,000.00	American Tel & Tel	4.33	AAA
50,000.00	Northern Indiana Power	4.37	AA

As you can see from the yields, the market has been very strong. It began to weaken about the 15th of April and got stronger again in the first week of May. With national business getting much better than anticipated, I think our yields through the summer will be much better.

Mortgage paper has been scarce and the situation will become worse. The discount rate is now 1 per cent and banks are talking par. In the last quarter we purchased:

210,000.00 @ 98	First National Bank, Bozeman
76,000.00 @ 98	Montana Bank, Great Falls
60,000.00 @ 97	Streeter Brothers, Billings

We still have about \$100,000.00 to be picked up from the Bozeman Bank but nothing more in the future.

I spent three days in Minneapolis-St. Paul the 1st of the month. I wanted to find out as much about this business as I could. I talked to the best people I could find--buyers and sellers. After explaining our problems I found our basic thinking was correct. It was agreed that we should sell all of our tax-exempt Montana Municipals. Since we are tax-exempt, the bonds are costing us interest earnings.

Since the market for Montana Municipals is limited to a pretty small national area, it was also agreed that our offerings should be limited in size to between 250 and 500 thousand. This should get us more and higher bids. I had mixed advice as to individual and package bids. This depends on the make-up of the offering and the decision will have to be made when the offering is drawn up.

Since there were several new issues of Montana Municipals out this month and since PERS sold a package of over one million, we have not put any bonds up for sale but we expect to do so this month if the PERS bonds sold well. If not, we will have to wait until July.

Executive Secretary's Report
September 14, 1963

We had a very interesting week following the mailing of our new statements. The mail was heavy and the phone was busy. I had expected many inquiries but it happened quicker than I thought. With twenty-six years of posting and records brought forward we were bound to have miscounted service. We had many errors--mostly caused by redeposits or purchases of out-of-state service that were not added. But, on the whole, it wasn't as bad as I had imagined. Most of the letters on service were really uncalled for. Neglecting to read the instruction telling the teacher to add the past year of service to the total at the top of the statement was by far the biggest cause for inquiry. Following that were inquiries from teachers wanting to count service that had been withdrawn but not totally redeposited or, even worse, not even remembering that money had been withdrawn.

We had lots of requests to change beneficiaries also. This, I certainly expected and really wanted. An error in total service credit would always be caught and corrected at least by retirement but an incorrect beneficiary at death is as final as death. We certainly got results. All in all, the statements were very well received and we have many letters commending us for the use of the statements. I guess we made a professional step forward.

We have had lots of address changes and birth record changes and our addressograph equipment has been busy all summer. It really was a blessing when it came to setting up our new sheets. We haven't as yet developed a good system of keeping our plates up--to-date but we will come up with one this month when we start doing our teacher's lists.

We have already received additional deposits for tax-deferred annuities. These have come from the University System. We have had many inquiries from school districts, both large and small, asking for information. I do hope that the Internal Revenue Dept. will give some good concrete answers to all the problems.

Other than the trip to California, travel has been limited to a short trip to Billings and Great Falls after mortgage paper. Also, in Billings I attended a morning meeting of The National Association of Public Employees Retirement System Administrators which was held there this year. In Great Falls I spoke to a group of teachers interested in tax-deferred annuities.

MINUTES

The Teachers' Retirement Board Meeting
September 14, 1963

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Gleason. In attendance were members, Mrs. Jasper, Mr. Hayes and Mr. Whitney, along with the Actuary, Mr. Young and the Executive Secretary, Mr. McKinny. The Secretary reported that Miss Miller was unable to attend due to a conflicting meeting.

The minutes of the May 25th Board meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Hayes and a second by Mr. Whitney.

The Secretary presented his quarterly reports along with a report on the seminar and the monthly financial statement. All the reports were ordered placed on file on a motion by Mr. Whitney and a second by Mrs. Jasper.

The payrolls for the 4th quarter of 1963, in the following approximate amounts, were approved on a motion by Mr. Whitney and a second by Mrs. Jasper:

Office Payroll	\$	3,160.00 per month
Retirement Payroll		155,750.00 per month

The Board next considered the Legislative Council's request for \$250 to help finance a study of the investment policies of the state. After a full discussion, Mr. Hayes moved that the request be tabled until the next meeting and that the Secretary contact Senator Dussault, the author of the request, for more complete information.

Next, the Board considered a request on behalf of the Peace Corps for the System to send literature to our retired teachers and prospective retired teachers. After a complete discussion, Mrs. Jasper moved that the Secretary inform the organization that the Retirement System could not grant the request as past policy prohibits this type of service. Mr. Whitney seconded the motion which was approved.

The Board then considered the Secretary's request to attend the convention of the National Council on Teachers Retirement in Columbus, Ohio, October 8-12 and the convention of the Rocky Mountain Public Trust Fund Officers in Santa Fe on November 21-22. Mr. Whitney moved the request be granted and Mr. Hayes seconded the motion which was approved.

Mr. Whitney then reported to the Board that some criticism had been offered on the handling of interest earned on member's extra deposits made to the System. It was felt by some sources that our policy of leaving

the interest earned by the extra deposits in their regular accounts, if the extra deposits are withdrawn, is not legal. After a full discussion on the problem, Mr. Hayes moved that the Secretary request the Attorney General's office for an opinion on how the interest should be handled. Mr. Whitney seconded the motion which was approved.

The following applications for survivor's benefits were approved on a motion by Mrs. Jasper and a second by Mr. Hayes:

- | | |
|--------------------------------|--|
| 1. Gladys Worthen
(age 60) | Survivor of C. B. Worthen
Missoula County
43 yrs. creditable service
Average salary \$6,641.00
Benefit \$162.99 |
| 2. Lorraine Rieder
(age 40) | Survivor of Dorothy Schuyler
Stillwater County
19 yrs. creditable service
Average salary \$4,608.53
Benefit \$ 37.73 |

The following applications for disability were approved on a motion by Mrs. Jasper and a second by Mr. Whitney:

- | | |
|---|---|
| 1. Katherine Douglas
(Blindness) | Sweet Grass County
Age - 58
40 yrs. creditable service
Average salary \$5,850.00
Benefit \$250.71 |
| 2. Ethel Bender
(arthritis) | Custer County
Age - 53
22 yrs. creditable service
Average salary \$4,025.00
Benefit \$ 94.87 |
| 3. Vivian Arehart
(cancer) | Silver Bow County
Age - 52
13 7/9 yrs. creditable service
Average salary \$5,152.45
Benefit \$107.34 |
| 4. Marie Shea
(loss of voice) | Lincoln County
Age - 52
20 7/9 yrs. creditable service
Average salary \$5,366.66
Monthly benefit \$119.03 |
| 5. Helen Frederickson
(varicose veins) | Richland County
Age - 59
25 yrs. creditable service
Average salary \$4,908.33
Monthly benefit \$131.46 |

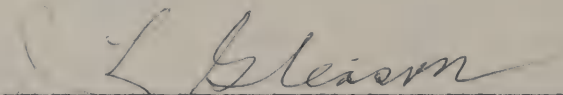
The following applications for retirement benefit were approved on a motion by Mr. Whitney and a second by Mr. Hayes:

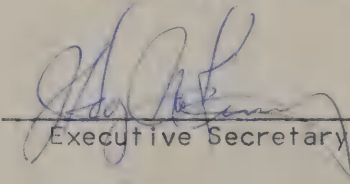
	<u>Age</u>	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Average Salary</u>	<u>Benefit</u>	<u>Opt.</u>
1. Ayres, Etta	62	Gallatin	9	20	\$6,081.67	\$ 165.07	
2. Anderson, Inez S.	66	Cascade	19	26	6,633.33	265.51	Opt. #2
3. Ballard, Jennie D.	65	Gallatin	4	17 7/9	3,503.33	72.25	
4. Brown, Agnes L.	61	Missoula	14	26	6,641.66	246.93	
5. Bunday, Ray A.	68	Silver Bow	16½	26	6,452.33	219.20	Opt. #4
6. Busch, Vera	65	Cascade	17½	26	6,666.67	268.94	
7. Creager, Mabel	61	Richland	12⅔	26	6,166.67	217.54	
8. Crowley, Linda M.	64	Beaverhead		15	4,000.00	52.70	
9. Davis, Henry C.	62	Glacier	11	26	6,666.67	198.30	Opt. #5
10. Dyer, Mae A.	64	Flathead	16⅔	21½	3,693.00	133.14	
11. Fredregill, Mildred	62	St. Dept.	1⅓	24	4,480.00	87.69	
12. Funk, Ellen H.	66	Fergus		14	3,600.00	44.48	
13. Green, Christine	68	Lewis & Clk	17	24	6,324.00	232.05	
14. Heagy, Lydia	60	Vested Right		11	4,850.00	41.15	Opt. #2
15. Hivers, Joe	60	Vested Right	9	12	4,933.33	103.11	Opt. #4
16. Lynch, Ann M.	66	Silver Bow	20½	26	6,234.67	266.97	
17. Mackin, Ruth C.	62	Vested Right	13½	12	2,836.66	75.09	
18. McNichols, Kathryn	63	Silver Bow	17	26	6,623.66	259.60	Opt. #2
19. Mitchell, Rachel W.	62	Missoula	15 7/9	26	6,118.33	236.99	
20. Rumpy, Laurie B.	67	Gallatin	5	20	3,615.00	86.06	
21. Ransavage, Anthony J.	62	Chouteau	9	13½	4,830.00	94.98	Opt. #4
22. Robinson, Mertis D.	64	Petroleum	4	6½	3,416.67	34.24	
23. Slayton, Eunice L.	70	Golden Valley	4	18	5,000.00	106.03	
24. Solberg, Clara	61	Richland	12	26	6,166.67	212.86	
25. Teichert, Mildred	63	Park	2	15 2/3	2,950.00	56.37	
26. Volbrecht, Beth M.	70	Toole	5⅔	11 2/3	4,450.00	79.44	
27. Becker, Elda M.	66	Glacier	8½	16	6,050.22	145.44	
28. Aikens, Marion D.	60	Yellowstone		15	6,560.00	82.37	
29. Bishop, Eunice R.	62	State Dept.	3	22½	5,520.00	114.82	
30. Christianson, Thelma	62	Missoula	5	22	6,533.33	160.29	
31. Crockett, Jean C.	60	Vested Right	3	18	5,223.33	95.73	
32. Danehy, Susie M.	60	Vested Right	11	15	3,783.33	96.87	
33. Fisher, Irene L.	66	Big Horn	10	16	5,585.00	141.28	Opt. #2
34. Good, Merrill R.	67	Vested Right	14	10	4,800.00	118.17	Opt. #2
35. Graham, Robert C.	62	Stillwater	12	26	6,666.67	236.06	
36. Hanson, Bertha	60	Broadwater	10	18	4,516.67	123.16	
37. Hanson, Edythe E.	62	Pondera	10	16	4,066.67	107.17	
38. Hanson, Evelyn	60	Sheridan		20	4,566.67	77.80	
39. Henry, Ferroll E.	65	Carbon	4	24	5,250.00	124.13	
40. Hopkins, Charlotte	70	Silver Bow	6	13	5,453.27	106.14	
41. Horn, Edith	63	Powell	2	14½	3,383.33	52.95	
42. Lund, Mary	60	Flathead	12	23½	4,583.33	152.30	
43. Methews, Margaret G.	62	Cascade	16 2/9	26	6,666.67	262.14	
44. McGregor, Mildred P.	64	Powell	4⅓	10⅔	3,793.33	54.37	
45. Milligan, Marvin	64	Mineral	7	18	5,291.67	125.75	

46. Peterson, Eliza	70	Beaverhead	4½	11	3,688.00	58.08	
47. Roesler, Vera B.	65	Cascade	5 1/9	24 4/9	6,666.67	171.45	
48. Schneider, Melvin	66	Lincoln	18½	6½	3,558.33	97.52	
49. Sorensen, Pansy	67	Roosevelt	4	21	4,050.00	95.82	
50. Stone, Angela M.	70	Silver Bow	7	19	6,234.67	160.63	
51. Sullaway, Helen	64	Beaverhead		10	3,133.33	30.10	
52. Sullivan, Mary M.	61	Silver Bow	12	26	5,526.59	189.47	opt. #2
53. Uglow, Mary B.	66	Dawson		10	3,195.00	30.52	
54. Webber, Beth E.	65	Missoula	14½	26	6,135.00	221.07	
55. Weed, Elizabeth M.	61	Flathead		22	5,701.67	99.60	Opt. #2
56. Winter, Bernice	63	Chouteau		11½	4,450.00	45.58	
57. McMillan, George	60	Vested Right	14	15	4,316.67	112.45	Opt. #5
58. Murphy, Eva	60	Fergus	6	5½	3,566.67	43.05	
59. Kranz, George	60	Vested Right	16	19	5,000.00	155.76	Opt. #5
60. Connors, Julia	60	Vested Right	11	15	2,868.33	74.05	
61. Hill, Alice	60	Gallatin	14	25½	6,408.33	233.41	
62. Best, Marguerite	63	Flathead		18	4,003.33	62.39	

At this point in the meeting Mrs. Jasper informed the Board that her husband was considering a position in Wisconsin and that if he accepted it, she would be leaving the state and, of course, would have to resign.

The next meeting was set for 10:00 a.m., Saturday, December 7, and the meeting adjourned at 12:30 p.m. on proper motion and second.


 Chairman, J. L. Gleason


 Executive Secretary, J. Hugh McKinny

Investment Report
September 14, 1963

The bond market this past quarter has been fairly steady and remaining at a fairly attractive level. Issues in public utilities have ranged from 4.27 for high grade AAA's to 4.45 in medium grade A's. There were not many new issues on the market and successful bidders drove through the market on the assumption that the money supply would force the sale of the bonds. This proved to be true. Even after syndicates broke up and the bonds went on the open market, the yields did rise, but not appreciably.

The government, with the majority of its bonded debt in short-term paper, has recently offered to refund this debt by trading for intermediate and long-term bonds. The trade for intermediate bonds was expected but the long-term issues caught investment people by surprise. The long-term bonds offered are yielding higher than the U. S. governments on the present market. The net result on the market has been to increase the yield on all bonds. It may be that the new issues coming out in the near future (Northern States Power, for example) may be quite attractive.

Since the last meeting of the Board we have purchased the following public utility bonds:

\$200,000.00	Indiana Bell Tel. Co.	4 3/8	AAA	yield 4.27
300,000.00	Illinois Bell Tel. Co	4.378	AAA	yield 4.36
100,000.00	Northern Illinois Gas Co.	4 3/8	AA	yield 4.36
100,000.00	Lone Star Gas Co.	4 3/8	AA	yield 4.375

Montana mortgage paper has continued scarce through the summer. The only offering purchased was one of \$80,000 @ 98 from the Exchange State Bank of Glendive. I have secured offerings totaling about \$600,000 from the Security Bank & Trust Co., Billings, The Great Falls National Bank, Bank of Baker and Streeter Brothers and we will examine these for purchase this fall.

We have also purchased \$150,000 in Treasury Bills maturing just before the end of the month. Now that I know how this is done at a full profit to us, we will buy at least \$150,000 every month on the same basis. It is worth about \$275 a month to us now as opposed to \$50 in the past.

We had one bond sale since the last meeting. We sold \$306,000.00 par value municipals at 96. This was a very poor offering of odd-lot, low-coupon issues and although I had hoped to get 97 for them, 96 was a fair price for the list. We have an offering out now of just over \$600,000.00 on an individual issue sale for the 17th. This is a much better offering and we will make money on these but not as much as we would have before the recent Treasury refunding. The offering was out before the refunding was announced.

Resolution No. 39

RESOLUTION OF APPRECIATION

WHEREAS, the honorable Mrs. Christine M. Jasper, a member of the Board of The Teachers' Retirement System, State of Montana, has served diligently and faithfully as a Board member from May 15, 1958 to November 1, 1963 and

WHEREAS, it is the sincere and considered opinion and judgment of the members of the Board of The Teachers' Retirement System and its administrative staff who have served with her during her years of membership, that she has administered her office with ability, understanding, great judgment, justice and most commendable success, now therefore,

BE IT HEREBY RESOLVED, that her fellow members of the Board, and the administrative staff, of The Teachers' Retirement System of Montana extend and express their sincere and heartfelt appreciation to Mrs. Christine M. Jasper for her exemplary service during the years she has been a member of the Board.

J. L. Gleason

Chairman

Harriet Miller

Vice Chairman

Bob Hayes

Member

Jess W. Whitney

Member

Attest:

J. Hugh McKinny

J. Hugh McKinny,
Executive Secretary

Resolution No. 40

BE IT RESOLVED THAT, The State Treasurer, State of Montana, as designated depository of The Teachers' Retirement System and is hereby requested, authorized and directed to honor checks, drafts or other orders for the payment of money drawn in this State Department's name, including those payable to the individual order of any person or persons whose name or names appear thereon as a signer or signers thereof, when bearing or purporting to bear the facsimile signature(s) of any two of the following:

J. L. Gleason
J. L. Gleason

Harriet E. Miller
Harriet E. Miller

George H. Hayes
George H. Hayes

Jess W. Whitney
Jess W. Whitney

W. A. Mitchell, Jr.

and the State Treasurer, State of Montana, shall be entitled to honor and to charge this State Department for such checks, drafts or other orders, regardless of by whom or by what means the actual or purported facsimile signature or signatures thereon may have been affixed thereto, if such signature or signatures resemble the facsimile specimens duly certified to or filed with the State Treasurer, State of Montana, by the Secretary or other officer of The Teachers' Retirement System.

J. L. Gleason

Harriet E. Miller
Harriet E. Miller

George H. Hayes
George H. Hayes

Jess W. Whitney
Jess W. Whitney

W. A. Mitchell, Jr.

Resolution No. 41

BE IT RESOLVED that the interest rate of four per cent (4%) be allowed on the annuity savings funds of The Teachers' Retirement System and that the actuary be instructed to use an interest rate of three per cent (3%) together with the previous mortality and disability and withdrawal assumptions to determine the amounts of the reserves for the various fields.

J. L. Gleason
J. L. Gleason

Harriet E. Miller
Harriet E. Miller

George H. Hayes
George H. Hayes

Jess W. Whitney
Jess W. Whitney

W. A. Mitchell, Jr.
W. A. Mitchell, Jr.

Minutes
Retirement Board Meeting

December 7, 1963

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Gleason. In attendance were members Miss Miller, Mr. Hayes and Mr. Whitney. Also attending were the Actuary, Mr. Young and the Executive Secretary, Mr. McKinny. Mr. Gleason noted the resignation from the Board of Mrs. Jasper and the Secretary reported the appointment by the Governor of Mr. W. W. Mitchell, Jr. of Miles City as the new board member. The Secretary also reported that the appointment had come too late to make it possible for Mr. Mitchell to attend the meeting.

The minutes of the September Board meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Miss Miller and a second by Mr. Hayes.

The Secretary presented his reports appertaining to operations, investments, finances and conventions attended which were ordered placed on file on a motion by Miss Miller and a second by Mr. Whitney.

The following payrolls for the 1st quarter of 1964 were approved on a motion by Mr. Whitney and a second by Mr. Hayes:

Office payroll	approximately	\$ 3,160.00 per month
Retirement payroll	approximately	157,100.00 per month

The Board next reviewed the old business at hand. The Secretary reported the Attorney General had ruled on the handling of interest on extra deposits as requested by the Board. The Attorney General ruled that interest earned on the extra deposits must be treated exactly as interest on a normal account if the extra deposit is withdrawn; that is, three-fourths of the interest would go to the pension accumulation fund and one-fourth would go to the expense fund. The Board instructed the Secretary to follow this procedure in the future.

The Board next considered the Legislative Council's request for \$250 to help them defray the cost of an investment study by Standard & Poors. The Secretary reported the receipt of a letter from the Land Commissioner's office which reported that the Land Board had contributed their "share" and requested that The Teachers Retirement System do likewise. After a considerable discussion, Miss Miller moved the matter be tabled to be considered later. Mr. Whitney seconded the motion which was approved.

The Board then moved on to the new business at hand. The Secretary reported the interest earnings for the fiscal year, 1962-63 at 4.14. The Actuary reviewed the interest earnings for the past few years and discussed the outlook for earnings in the near future and suggested that

the System could pay 4 per cent interest to the Annuity Savings Fund but also suggested that any changes in the actuarial tables and reserves should await the actuarial survey of 1965. Mr. Hayes then moved that a resolution be drawn raising the interest on the ASF accounts to 4 per cent and the new rate to take effect with the fiscal year 1963-64. Mr. Whitney seconded the motion which was approved.

The Board next considered the Miles City Bank's request for a servicing agreement for the sale of FHA & VA mortgage paper to the System. Miss Miller moved the Secretary be instructed to draw up the standard servicing agreement and secure the proper signatures. Mr. Whitney seconded the motion which was approved.

The Secretary then reported that by law it was necessary to check the continued disability of its disability recipients under age sixty. Miss Miller moved that the Secretary be instructed to proceed with the investigation. Mr. Hayes seconded the motion which was approved.

At this point in the meeting the Secretary presented a Resolution of Appreciation for Mrs. Jasper that had been written at the request of the Chairman, Mr. Gleason. After reading the Resolution, Mr. Hayes moved the adoption. Mr. Whitney seconded the motion which was unanimously approved.

The Secretary then reported that the changing of the board members would require a new resolution authorizing the facsimile signature of Mr. Mitchell. Miss Miller then moved the Secretary present a resolution authorizing the signatures. Mr. Whitney seconded the motion which was approved.

The Board then considered the following application for survivor's benefits. Mr. Whitney moved the approval which Mr. Hayes seconded and the Board approved:

Dorothy Reed	Survivor of Dessa Cosgrove
	Yellowstone County
	21 years creditable service
	Average salary \$3,966.67

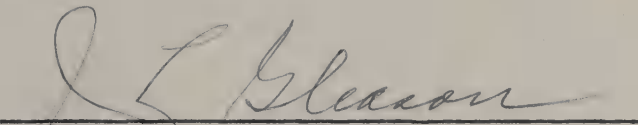
The following applications for retirement benefit were approved on a motion by Mr. Hayes and a second by Mr. Whitney:

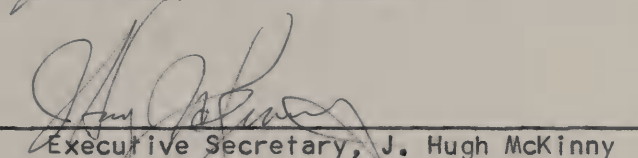
	<u>Age</u>	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Av. Salary</u>	<u>Benefit</u>
1. Haberstroh, Grace	64	Park	9	19 $\frac{1}{3}$	\$ 6,101.00	\$ 163.18
2. Merritt, Lenore	60	Lake	3	14	4,000.00	56.82
3. Kent, Eunice	60	Park		12	5,583.33	58.28
4. Voise, Miriam	60	Chouteau	1	16	3,988.33	57.75
5. Carlson, Elizabeth	60	Meagher	2	13 $\frac{2}{3}$	3,533.33	49.21

	<u>Age</u>	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Av. Sal.</u>	<u>Benefit</u>	
6. Brakke, Robert	60	Carter	7	12	\$ 3,810.00	\$ 72.22	
7. Lovelace, Katherine	63	Rosebud	2½	15½	4,226.67	63.45	
8. Winship, Tekala	60	Ravalli	14	9 2/9	4,448.33	109.14	
9. Kitchens, Cina	60	Park		17	4,691.67	67.53	
10. Robbins, Benda	65	Ylstone	1	17	5,125.00	82.13	
11. Black, William	61	Phillips	10	18 7/9	5,200.00	142.21	Opt. #2
12. Kenelty, Genevieve	60	Lincoln	3	10	3,383.33	59.65	
13. Schilling, Grace	60	Missoula	15	5½	1,483.33	58.57	
14. Fowler, Mary	67	Chouteau	8	12	3,375.00	67.19	

Mr. Wigger's application for disability was approved on a motion by Mr. Whitney and a second by Mr. Hayes.

The next board meeting was set for 10:00 a.m., Saturday, March 14, and the meeting adjourned at 12:30 on proper motion and second.


 Chairman, J. L. Gleason


 Executive Secretary, J. Hugh McKinny

Executive Secretary's Report
December 7, 1963

For about two weeks I thought this meeting wouldn't be held here in the Mitchell Building. We almost were moved. They were doing a lot of shuffling in order to start work on the Capitol Building. I know, at least for awhile, that we were on the Controller's list to move. In order to push back and keep them from taking some of our space I asked for another room. As of yesterday, it looks like we might get it. With all the equipment we have now, we can certainly use the space.

The MEA Retirement Committee is meeting this morning and will be discussing possible legislation. I know of two items they will discuss again-- the removal of the salary ceiling and an increase in survivor's benefits. I am sure that their Chairman, Mr. G. V. Erickson, will let me know what their plans are.

The fall quarter, as you know, is our busiest time of year. When the teachers lists start coming in, we get "snowed in" but by the 1st of December we have them all pretty well taken care of. Our posting is about 10 days behind this year. The clerk thought it would be easier to put the salaries on the sheets as she posted rather than make a separate operation out of it. So while we are behind in posting, we are ahead on the other task.

As near as the record clerk can tell, so far we have about 500 teachers who have never taught in the state before and, of course, all our record forms have not been returned. With most of our records complete, we will now bring our addressograph file up-to-date so we will be ready to start the circle over again.

Since the last meeting I have done quite a lot of traveling. In addition to the trips to Columbus, Ohio, and Santa Fe, I have spoken to MEA units in Lavina, Wolf Point, Fort Peck and Boulder. I also had a section at the MEA Convention in Billings. Tom attended the convention in Missoula and Great Falls and also spoke at Rapelje. The day I visited with Senator Dussault I also addressed the Exchange Club in Missoula.

Investment Report
December 7, 1963

The only thing that can be said about the bond market the last three months is that it has been steady with a slight increase in yield. There have not been too many new issues on the market and those offered have not moved too well.

The Montana mortgage market has been slow. The offerings which we purchased had to be solicited. No one called us. We have been able to hold the market at about 2 per cent discount. Since last September we have purchased the following FHA and VA Mortgages:

\$ 60,000.00	Streeter Brothers, Billings	@ 96½ & 97½
238,000.00	Union Bank, Helena	@ 98
206,000.00	Security Bank, Billings	@ 99
220,000.00	Gt. Falls Nat'l Bank	@ 98
72,000.00	Montana Bnk, Gt. Falls	@ 98
43,000.00	Bank of Baker	@ 98

Redemption during the three months totaled \$351,000. This is about \$150,000 higher than I would consider normal.

We held two municipal sales during the quarter and disposed of approximately \$1,300,000 in municipal bonds. I think we have done real well on these sales but it is quite possible that we will wait another two or three months to sell any more. With PERS selling also, the market for these bonds is about glutted and the price will begin to show the effect. One of the side effects of these sales is beginning to appear--greater interest nationally in Montana Municipals. This will help Montana school districts in floating new issues. With more companies interested they will be able to borrow money cheaper than they could previously. Since the last meeting we have purchased the following Public Utility Bonds:

	<u>Rating</u>	<u>Int.</u>	<u>Yield</u>		<u>Company</u>
Montana Power Co.	AA	4½	4.39	\$ 50,000.00	J. Barth & Co.
Western Penn. Power	AA	4½	4.40	100,000.00	" " " "
Carolina Power Co.	AA	4½	4.40	100,000.00	" " " "
Florida Power Co.	AA	4½	4.40	100,000.00	" " " "
Southwestern Bell Tel. Co.	AAA	4 5/8	4.40	150,000.00	" " " "
New England Power Co.	AA	4½	4.42	200,000.00	Kalman, Dain & Piper
Union Electric Co.	AA	4½	4.42	100,000.00	J. M. Dain Co.
Public Service of Colorado	AA	4½	4.38	50,000.00	J. Barth & Co.
Pacific Gas & Electric	AA	4½	4.40	100,000.00	Halsey Stuart
Potomac Electric Co.	AA	4½	4.40	50,000.00	J. Barth & Co.
Indiana Bell Tel. Co.	AAA	4 3/8	4.35	100,000.00	Halsey Stuart
Rochester Gas & Electric	AA	4½	4.40	100,000.00	J. Barth & Co.
Northern States Power Co.	AA	4 3/8	4.39	250,000.00	Davidson, Piper, Dain & Kalman

As you can see, the yields are up ever so slightly from last quarter.

It is assumed in most quarters that the change in Presidents will not affect the nation's up-swing -- at least not in the immediate future. There are a lot of new stock and bond issues registered with the SEC and all are expected to proceed into the capital market for money to expand their companies which, of course, indicates continued confidence in American business.

MINUTES

Retirement Board Meeting
March 14, 1964

The meeting was called to order at 9:50 a.m. by the Chairman, Mr. Gleason. In attendance were members, Mr. Hayes, Mr. Whitney and Mr. Mitchell. Also attending were Mr. Young, the Actuary and Mr. McKinny, The Executive Secretary. The Secretary extended Miss Miller's apology for not being able to attend as she was speaking at an MEA meeting that morning.

The minutes of the December meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Whitney and a second by Mr. Hayes.

The Secretary presented the reports on investments and work progress. They were ordered placed on file on a motion by Mr. Mitchell and a second by Mr. Hayes.

The second quarter payrolls consisting of--

Office Payroll	approximately	\$ 3,160.00	per month
Retirement Payroll	"	157,300.00	per month

were approved on a motion by Mr. Whitney and a second by Mr. Hayes.

The Secretary then reported that the Legislative Council had dropped its request for \$250 to pay for an investment study by Standard & Poors as it was apparent that the necessary funds could not be raised from the other agencies.

The Board next turned to the new business at hand and considered Mr. McKinny's request to accept an appointment to the Advisory Committee of the University of California on a course of study for the Seminar on Fiduciary Investments. Mr. Whitney moved that permission be granted. Mr. Hayes seconded the motion which was unanimously approved.

Next, the Board considered the Secretary's request for himself and his assistant to attend the Seminar on Fiduciary Investments at the University of California at Berkeley from August 1-15 and that the cost be chargeable to investment income. Mr. Mitchell moved that permission be granted and Mr. Hayes seconded the motion which was approved.

After a considerable discussion of the System's investment program, Mr. Hayes moved that the hiring of Moody's Investment Service, as our investment council, be tabled for a later meeting. Mr. Mitchell seconded the motion which was approved.

The following applications for survivor's benefits were unanimously

approved on a motion by Mr. Hayes and a second by Mr. Whitney:

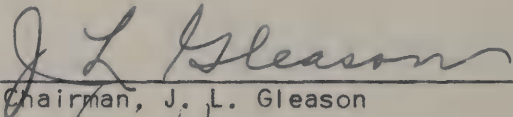
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|--|--|
| <p>1. Roberts & Helen Atkinson
Ages 37 & 29
Benefit: \$53.95
49.34</p> | <p>Survivors of Ernest Atkinson
Montana State University
Age - 69 - 35 yrs creditable service
Average salary - \$7,000</p> |
| <p>2. Margaret Walker
Age 55

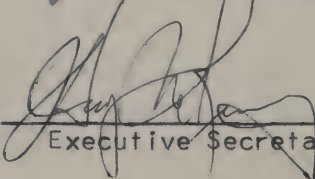
Benefit - \$112.01</p> | <p>Survivor of L. A. Walker
Western Montana College of Education
Age - 56
35 years creditable service
Average salary - \$7,000</p> |

The following applications for retirement benefit were unanimously approved on a motion by Mr. Hayes and a second by Mr. Mitchell:

	<u>Age</u>	<u>County</u>	<u>PS</u>	<u>MS</u>	<u>Average Sal.</u>	<u>Benefit</u>	<u>Option</u>
1. Stebbins, Alberta	70	Park	10	11½	\$ 3,060.00	\$ 65.91	
2. Cox, Ann	60	VR	7	10	2,400.00	48.62	
3. Mulloy, Evelyn	60	VR		12	3,778.00	40.58	
4. Rothschild, Kurt	60	VR		13	6,000.00	67.16	
5. Tunnickliff, E. A.	66	St. College	16	19	7,000.00	196.84	#5
6. Laird, Joseph	60	VR	12	12½	5,333.00	133.79	#2
7. Goldberg, Josephine	61	VR	12½	12½	3,893.00	100.29	
8. Canfield, Vivian	65	Gallatin		11½	4,800.00	51.03	
9. Botch, Henry	60	VR	10½	12	3,460.00	82.57	
10. Johnson, Lila	61	Pondera	5	14½	4,141.00	75.38	
11. Martin, Lorraine	60	VR	14	15	3,483.00	104.67	
12. Gustaphson, George	60	VR	10	16	3,566.00	92.06	
13. Ensign, Edwin	60	VR	7	11	4,166.00	74.69	
14. Olsen, Bernard	60	VR	3	14	4,566.00	74.93	
15. O'Donnell, Margaret	60	VR	3½	22	5,268.00	118.08	

The next Board meeting was set for Saturday, May 23 at 10:00 a.m. and the meeting adjourned at 12:45 on proper motion and second.


 Chairman, J. L. Gleason


 Executive Secretary, J. Hugh McKinny

Executive Secretary's Report
March 14, 1964

Plans are now being made for this year's investment seminar at the University of California. The course will be expanded to enlarge the interest in the course. It is to be called the Seminar on Fiduciary Investment and will include bank personnel, private pension funds and, of course, public pension funds. The course will have an advisory committee to suggest subject matter and expand enrollment. I have been asked to serve on this committee, along with a banker from Denver, the Secretary of the New Mexico Teachers' Retirement System and a representative of a private System in San Francisco. I don't think this committee will meet very often nor will attendance be mandatory.

Work this quarter has been going very well. The posting, including mortgage payments, is all up-to-date. We have contacted all our delinquent clerks and even our two horrible examples are up-to-date. The calculation of the interest to be posted is nearly all complete. All the districts that have teachers attaining age seventy this year have been informed, as well as the seventy-year old teachers, of the compulsory retirement clause in the law. Second and third requests to the new teachers to file membership records have also been made.

A great deal of attention has been called to the delinquency rate in mortgage payments and foreclosures in FHA paper. On the national level it is causing some concern. In looking over our paper we seem to be in a very good position. It is impossible for us to tell a one-month delinquent payment because of various reporting dates, but, of the 1,280 loans we have, only 38 are two months or more behind. This gives us a 3 per cent delinquency rate of two months or more. Of the 38 delinquent loans, 19 are two months behind, 7 are three months, 7 are four months, 1 - five months and 4 are six months behind. We also hold \$45,000 FHA debentures on houses that have been turned over to FHA and this will about double this month when we take out four of the above delinquencies.

Travel this past quarter has consisted of a trip to Ennis for an MEA meeting and a trip to Wolf Point to speak to a group of administrators. On the Wolf Point trip I also made stops on investment business in Roundup and Billings. Tom spent nearly a week in Bozeman doing estimates at the public schools. This past week we have both been doing estimates in Butte and I spoke to a meeting of their teachers on Wednesday evening. So far, I have three trips scheduled for next quarter--Missoula, Kalispell and Scobey--to speak to MEA Locals.

On the 1st of February all of our funds were placed in the Treasurer's office as per HB 22. We were supposed to have done this the 1st of July, 1963 but were given permission to use up our supply of checks. What I should have done was to have ordered more checks and ignored the law. It only means a great deal more work for all of us concerned and I do not think the Controller's office or the Treasurer's office would have said a thing. Since our retirement benefits are now paid on state warrants rather than checks, I am combating a rumor that we are short of funds and registering warrants and I am having trouble with California banks not accepting

them. The only thing good about HB 22 is the nice straight lines it draws on paper.

Investment Report

March 14, 1964

We had a very successful bond sale on February 7. The group of bonds that were sold were high coupons with short call dates and low coupons with long-term maturity dates. On the entire group we received about par and three-fourths. Bond dealers inventories of Montana bonds were at the lowest level they had reached since we started selling. In addition, we had bids from bond houses from coast to coast and one issue, Granite School District #1 at Philipsburg, went to a New York firm. The biggest share of the bonds went to the Piper and Kalman Syndicate. The thing that pleased me most was the number of bidders. We are creating interest in Montana small issues among many firms and it should pay off to Montana taxpayers with more competitive bidding on new school issues.

Another reason our bonds sold so well was that the price of all bonds rose considerably at the time of the sale--two new issues were offered to yield 4.36 and 4.39. These issues did not sell at these prices and when the Syndicates broke, the yield rose to 4.42 and 4.44.

During the past quarter our funds were invested in the following issues:

Northern Natural Gas	4½%	1984	\$ 450,000.00	4.44
Consolidated Edison	4 5/8%	1993	200,000.00	4.45
Union Electric	4 3/8%	1988	100,000.00	4.375
New York Telephone Co.	4 5/8%	2004	200,000.00	4.53
Union Electric	4½%	1993	100,000.00	4.43
Pacific Gas & Electric	4½%	1996	100,000.00	4.44
Pacific Northwest Tel	4½%	2000	<u>250,000.00</u>	4.44
			\$1,400,000.00	

Treasury Bills - \$349,344.11

L & N RR Equip. Trust Cert.	4 1/8%	1976	\$ 100,000.00	4.40
Union Pac. Equip. Trust Cert.	4 1/8%	1975	100,000.00	4.35
So. Pacific Equip. Tr Cert.	4.0%	1974	200,000.00	4.40

Mortgages

Guaranty Company	\$ 134,500.00
Streeter Bros.	103,100.00
Bank of Baker	63,400.00
1st Nat'l, Glasgow	<u>169,800.00</u>
	\$ 470,800.00

Our run-off in mortgage paper amounted to \$265,100 and \$350,000 was

put in U. S. Treasury Bills awaiting additional mortgage paper offerings. This paper is now selling at 99 and although there seems to be a great deal of paper on the national market, it seems to be limited here in Montana.

With the changing of the British discount rate it appears that interest rates will remain at about the same level and possibly higher through the next two quarters of 1964.

Long-term Governments yields reached record highs the past quarter. At one time the 83's sold to yield 4.24. On the same day Sacony Mobile bonds sold to yield 4.27. Government bonds are a very good investment now and some pension systems are buying with the assumption that industrials are not yielding enough and will rise later in the year. Their intention is to sell the Governments at a loss at that time and then buy industrials at 4.60 - 4.70 which is a more normal yield spread.

MINUTES

Retirement Board Meeting
May 23, 1964

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Gleason. In attendance were Board members, Mr. Hayes, Miss Miller, Mr. Mitchell and Mr. Whitney. Also attending were the Actuary, Mr. Young and the Secretary, Mr. McKinny.

It was pointed out by the Secretary that Mr. Gleason's term would expire July 1 of this year. Miss Miller moved that the Secretary be instructed to write to the Governor and request, on behalf of the Board, the reappointment of Mr. Gleason. Mr. Hayes seconded the motion which was unanimously approved.

The minutes of the March meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Whitney and a second by Mr. Hayes. The Secretary presented his work report and the investment report and they were ordered placed on file on a motion by Mr. Mitchell and a second by Mr. Whitney.

The Board then turned to the new business at hand which, first, was the Secretary's request to contact the Historical Society for permission to destroy the remittance sheets of 1953-54. Mr. Hayes moved that permission be granted. Miss Miller seconded the motion which was approved.

The Board next considered the Secretary's request for new equipment, first considering the purchase of three additional file cabinets. Mr. Hayes moved the purchase of the cabinets. Mr. Mitchell seconded and the motion carried. The Secretary then explained the reason for the purchase of the micro-film equipment. It was to be in cooperation with the Industrial Accident Board and PERS. It also would have to be approved by the budget director as no allowance for capital equipment was given by the last legislature. After a full discussion, the Board suggested that the Secretary study the operation of the equipment owned by the Department of Public Instruction and if the machine is adequate for our purposes, Mr. Whitney moved that the Secretary be allowed to spend approximately \$1,200 on the new equipment. Mr. Hayes seconded the motion which was approved.

Mr. Mitchell then moved the Secretary be permitted to purchase a portable overhead projector at a cost of \$229 less trade-in. Mr. Hayes seconded the motion which was approved.

The Board next considered the Secretary's request for salary adjustments for his staff. Mr. Hayes moved the approval of the following new salary schedule:

Thomas Schneider	\$600.00	to	\$625.00
Elsie Wilcox	\$370.00	to	\$385.00
Naomi Didriksen	\$340.00	to	\$385.00
Virgie Baird	\$310.00	to	\$340.00
Dorris Morris	\$390.00	to	\$410.00

After a discussion of the Secretary's salary, Mr. Hayes moved that it be increased to \$10,500. Mr. Mitchell seconded the motion which was approved. Mr. Whitney then moved the Actuary's retainer be increased to \$3,900. Miss Miller seconded the motion which was also approved.

The Board next considered the operational budget of the System for the fiscal year 1964-65. Mr. Whitney moved the approval of the budget amended to include the salary adjustments of the Secretary and the Actuary. Miss Miller seconded the motion which was approved.

	<u>1963-64</u>	<u>1964-65</u>
Salaries	\$ 34,394.31	\$ 35,670.00
Employee Benefits	2,165.00	2,213.00
Supplies	2,614.00	2,500.00
Communication	1,050.00	2,100.00
Travel & Board Meetings	2,974.00	2,675.00
Contracted Services	3,090.00	3,090.00
Special Fees	4,108.00	4,108.00
Maintenance	776.00	776.00
	<u>\$ 51,171.31</u>	<u>\$ 53,132.00</u>

The Following applications for survivorship benefits were approved on a motion by Miss Miller and a second by Mr. Hayes:

1. John Nielsen (age 62)	Survivor of Luella Nielsen Age 60 Lake County 10 yrs. creditable service Average salary \$4,741.67 Benefit <u>\$46.85</u>
2. Helen Tate (age 51)	Survivor of Ralph Tate Age 61 Lincoln County 37 $\frac{2}{3}$ yrs. creditable service Average salary \$7,000.00 Benefit <u>\$132.36</u>

The following applications for retirement allowance were approved on a motion by Miss Miller and a second by Mr. Whitney:

	<u>County</u>	<u>Age</u>	<u>PS</u>	<u>MS</u>	<u>Av. Salary</u>	<u>Benefit</u>
1. Alden, Hazel B.	Missoula	64	12 $\frac{1}{2}$	27	\$ 6,404.33	\$ 224.87
2. Arnold, Marian	Yellowstone	60	7	18	5,273.33	123.03
3. Barnett, Helene	Yellowstone	70	1	19	5,941.67	108.81
4. Blair, Clara E.	Flathead	63	7 $\frac{1}{2}$	21	5,041.67	136.56
5. Cassman, Besse M.	Cascade	65	18 $\frac{1}{3}$	27	7,000.00	290.02
6. Culver, Edith E.	Missoula	64		27	6,975.00	147.65

		<u>County</u>	<u>Age</u>	<u>PS</u>	<u>MS</u>	<u>Av. Sal.</u>	<u>Benefit</u>	
7.	Dolezal, Frances M.	Lewis & Clk	65	2	22	\$ 3,968.33	\$ 85.16	
8.	Farrington, Rose C.	Chouteau	64	12	27	5,983.33	200.14	
9.	Furman, Gladys L.	Granite	65	2	19½	3,747.67	96.57	
10.	Gaustad, Ruth	Silver Bow	70		25	6,617.33	145.65	
11.	Gibson, Helen	Missoula	63	12 2/9	20 2/9	6,287.66	196.92	
12.	Gillette, M. Carolyn	Cascade	70	21½	27	7,000.00	305.60	
13.	Hatfield, Gladys E.	Musselshell	70		13½	3,533.33	44.27	Opt. 2
14.	Hazelton, Della	Flathead	62	16	26	6,401.67	247.27	
15.	Heaton, Thelma	Cascade	66	17	27	7,000.00	278.18	
16.	Holland, Lonita K.	Flathead	60	10	27	6,866.67	226.91	
17.	Johnson, Hazel R.	Pondera	62	2	19	5,126.67	90.66	
18.	Lee, Fern	Yellowstone	66	15½	26½	6,893.33	250.27	
19.	Leger, Ruth	Lewis & Clk	66	4⅔	21	5,050.00	121.20	
20.	Lyndes, Julia O.	Missoula	65	15½	15	6,500.00	197.92	Opt. 2
21.	McAfee, Florence	Deer Lodge	65	14	19	6,741.67	223.00	
22.	McMullen, Julia	Silver Bow	70	1⅔	15	5,563.60	91.47	
23.	Morgan, Catherine	Lewis & Clk	65	5	12	4,350.00	72.71	
24.	Mysse, Bess	Stillwater	61	15	26	3,866.67	150.90	
25.	Nelson, Melvin L.	Missoula	62	7	11½	6,056.67	112.20	
26.	Norsby, Lela	Cascade	65	17	26	7,000.00	270.63	
27.	Olson, Bertha C.	Cascade	68	20	27	7,000.00	297.08	
28.	Patterson, Laura E.	Garfield	70	1½	31½	4,450.00	126.68	
29.	Praetz, Ellen J.	Blaine	65	11½	27	5,900.00	201.96	
30.	Robertson, K. Leah	Custer	68		17	4,170.00	61.18	
31.	Rogers, Anna A.	Silver Bow	68	20	27	6,014.67	255.36	
32.	Russel, Ruth B.	Yellowstone	66	20	27	7,000.00	301.71	
33.	Shively, John	Gallatin	66	14	27	7,000.00	262.64	Opt. 5
34.	Stoxen, Hulda M.	Cascade	66	15½	27	7,000.00	262.78	
35.	Wesner, Lenore	Gallatin	65	7	25	6,319.00	178.96	
36.	Yurko, Myrtle	Cascade	65	8	21	7,000.00	191.04	
37.	Zimmerman, Wilbur	Blaine	64	15	27	7,000.00	274.16	
38.	Cook, Emelia	Flathead	67	9⅓	24	4,880.00	156.12	
39.	Churchill, Mabel	Carbon	70	12⅓	24	5,550.00	195.22	
40.	Fischer, Muriel	Yellowstone	60		19	6,358.33	99.24	
41.	Cameron, Janette M.	Fallon	62		20	3,345.00	58.81	
42.	Renshaw, Blanche	Glacier	64	16	27	6,112.77	236.49	
43.	Brathovda, Evangeline	Cascade	61	11½	26	7,000.00	239.48	
44.	Peterson, Olga	Cascade	66	15	26	7,000.00	253.24	
45.	Lynch, Lucy K.	Silver Bow	70	21	27	6,617.33	281.56	Opt. 2
46.	Jaastad, Viola	Vested Rt.	60	12⅔	15½	3,333.33	94.63	
47.	Markin, Ann R.	Lewis & Clk	62	11 7/9	16 5/9	4,783.33	133.01	Opt. 2
48.	Leamer, J. Josephine	Chouteau	60		14 2/9	4,999.00	65.97	
49.	Heath, Cecil	Vested Rt.	60		34½	6,000.00	158.84	Opt. 2
50.	Moe, Edna	Beaverhead	60	2½	17½	3,968.33	68.53	
51.	McNeal, Beulah	Vested Rt.	60		10	4,738.33	42.19	
52.	Sylten, Rozetta	Yellowstone	64	6	9⅔	5,008.33	78.26	Opt. 2

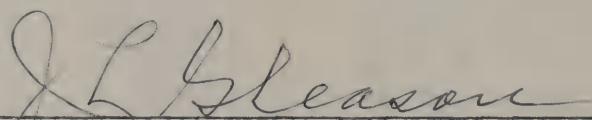
The Board then considered its organization for 1964-65. Miss Miller moved that Mr. Gleason should be retained as Chairman. Mr. Whitney seconded

the motion which was unanimously approved. Mr. Hayes then moved that Miss Miller be retained as Vice-Chairman. Mr. Mitchell seconded the motion which was also unanimously approved.

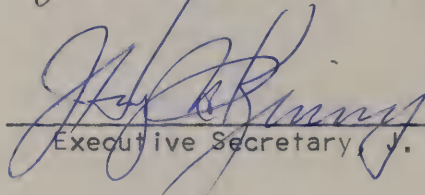
The membership of the Finance Committee and the retention of the Actuary were approved on a motion by Mr. Whitney and a second by Mr. Hayes.

The next meeting of the Board was set for 10:00 a.m., Saturday, September 19, on a motion by Miss Miller and a second by Mr. Whitney.

The meeting adjourned at 12:10 on proper motion and second.



Chairman, J. L. Gleason



Executive Secretary, J. Hugh McKinny

Executive Secretary's Report

May 23, 1964

We have sent out 82 applications for retirement benefit so far this year. This is a slight increase again over last year. We seem to retire about 10 more each year than the year before. So far, we have 46 applications returned compared to 36 this time last year. Of this group, the average salary is \$5,935; the average age is 63½ and the average benefit is \$185. Last year's average check at this point was about \$171. The average salary increased about \$700 which caused the increase in benefits as the age and service average remained nearly the same.

The office work this past quarter has been going very well. All the interest has been calculated and ready to post. Our addressograph plates are all up-to-date ready to print new account sheets for next year. The posting, both for mortgages and teacher's payments, is right up-to-date. If anything is lacking, it is withdrawals. So far, they haven't been coming in very fast. Maybe we finally have them trained to wait until school is out to apply.

We have been operating the office from 7:00 a.m. to 5:00 p.m. since the middle of May. With daylight savings time in New York, the bond markets are open at 6:00 a.m. and all the sales take place before eight o'clock. This now puts us on the job when the bonds become available. Mrs. Baird works from 8:00 until 5:00 and the rest of the staff work from 7:00 to 4:00.

During the last two months I spoke at MEA meetings in Kalispell, Scobey and Billings. The first part of June I plan to make a trip to Minneapolis to visit some other bond buyers and check out their feelings on the market this summer.

Investment Report

May 23, 1964

In the past two months, since our last meeting, bond prices slowly declined and our bond purchases showed a slight increase in yields. This held true until last week when the situation reversed itself and prices of new issues rose and the yield rates dropped. The highest yields in triple A's were the Pacific Tel & Tels at 4.48.. Some double A issues reached 4.55 and one A issue, Southern Union Gas, reached 4.66. How far yield rates will drop at this point is unknown but they will undoubtedly rise to even higher levels this fall. The tax cut which was supposed to create high interest rates has not done so yet. It is assumed that most people are paying off old debts and after this initial revision the extra money will be spent. Latest estimates on GNP show an increase over last year of some 40 billion dollars to about 625 billions. This, of course, is assuming no big labor trouble.

The mortgage market in Montana does not seem to be picking up very much with the exception of Billings. They seem to feel that they will have a better year than any of the past three years. Great Falls, however, is slow and no one sees any improvement. There is plenty of mortgage money in Montana and the discount rate has fairly well dropped to 1 per cent. Prudential Insurance Company, which does its own servicing, will loan at par and pay a finders fee on good loans. It may be that par loans are in the near future.

We had a very successful bond sale the first part of April. We received about a dozen bids and we made about \$25,000 on the sale. Bonds were bought by the Pacific Northwest Co. of Seattle, McCormick & Co. of Chicago, Hornblower & Weeks of Denver, and Piper, Jaffray & Hopwood, Kalman & Co. and J. M. Dain Co. of Minneapolis. We had considered selling some more this month but Montana banks are not in the market at this time of year. Most of their money is going into farm loans and, of course, they are the biggest buyers of Montana Municipals. We may still sell a small group, however, as the nation-wide supply of municipals now on the market is quite low.

Since the last meeting we have invested in the following:

R. R. Equipment Trust Certificates - A rating

Chicago, Rock Island R. R., 4½%, 11/1/75, yield 4.5 \$100,000.00
Purchased from R. W. Pressprich & Co., Portland, Oregon

Public Utility Bonds

Mountain States Tel & Tel - AA rating
4 3/8%, 2/1/88, yield 4.46 \$100,000.00
Purchased from Halsey, Stuart & Co.

Pacific Tel & Tel AAA rating
 4 5/8%, 10/1/99, yield 4.48 \$ 400,000.00
 Purchased from:

McCormick & Co.
 Blyth & Co.
 Salomon Brothers
 Merrill Lynch, Pierce, Fenner & Smith
 Piper, Jaffray & Hopwood

Washington Water Power A rating \$ 400,000.00
 4 5/8%, 9/1/1994 Par
 Purchased from:

Wm. R. Staats & Co.
 R. W. Pressprich & Co.
 Salomon Brothers
 Blyth & Co.
 Shearson, Hammill & Co.
 Piper, Jaffray & Hopwood

Florida Power & Light AA rating \$ 100,000.00
 4 3/8%, 1886, yield 4.46
 Purchased from Eastman Dillon Co.

Mortgages

1st National Bank, Bozeman	\$ 209,000.00
Streeter Brothers	93,000.00
Union Bank, Helena	73,000.00
Great Falls National Bank	210,000.00
Guaranty Co., Billings	138,000.00

September 19, 1964

Resolution No. 42

BE IT RESOLVED, That J. Hugh McKinny, Executive Secretary, is hereby authorized and empowered to sell and assign any and all corporate securities of any description now and hereafter owned by The Teachers' Retirement System, State of Montana, and

IT IS FURTHER RESOLVED, That any and all assignments or sales of any such corporate securities registered in the name of, or assigned to The Teachers' Retirement System, heretofore or hereafter made by the above named officer, are hereby ratified and confirmed.

J. L. Gleason
Chairman

J. W. Whitney

Geo. Dwyer

H. A. Mitchell

MINUTES

Retirement Board Meeting
September 19, 1964

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Gleason. In attendance were Board members Mr. Hayes, Mr. Mitchell and Mr. Whitney along with the Actuary, Mr. Young and the Executive Secretary, Mr. McKinny. Miss Miller was unable to attend as she was dedicating a new school building in Miles City that afternoon.

The minutes of the May Board meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Whitney and a second by Mr. Hayes.

The Secretary's quarterly progress report and the quarterly investment report were ordered placed on file on a motion by Mr. Hayes and a second by Mr. Mitchell.

In preparation for the Biennial Report to the Legislature, the Secretary presented a paper on the Investment Policies and Practices of The Teachers Retirement System. The Secretary acknowledged that the paper was incomplete and open to questions and suggestions. After a lengthy discussion, the Secretary was instructed to point out in the Report the possibility that additional employer contributions might still be necessary in spite of increased interest earnings and to remove the statement regarding the minimum of \$50 million in assets before the request for permission to purchase common stock. The Secretary also would outline the policy for the purchase of mortgage paper and the diversification pattern of public utility bonds. The paper would then be discussed at the next Board meeting.

The following approximate payrolls for the 4th quarter of 1964 were approved on a motion by Mr. Mitchell and a second by Mr. Hayes.

Retirement	approximately	\$ 175,500.00	per month
Office	"	3,345.00	per month

The Board then took up the new business at hand and considered the request of County Superintendent Muriel Reiquam to count her service and salary that she would acquire after age seventy towards a retirement benefit. After a complete discussion, Mr. Whitney moved that the Secretary be instructed to request an Attorney General's opinion on the legality of giving such credit and if such credit be denied, must the System begin paying her a retirement benefit at age seventy even though she continues in her present position. Mr. Hayes seconded the motion which was approved.

Next the Board considered Resolution No. 42 which would authorize the Secretary to sell corporate securities owned by the System. Mr. Mitchell moved the adoption of the Resolution with Mr. Whitney seconding the motion which was unanimously approved.

The Board next considered legislation that would be proposed by other groups, beginning with the Legislative Council's bill. From copies of the bill in tentative form, it was agreed that parts of the bill may have merit but that if, in its final draft, the Investment Council would have full control over the System's investment program rather than offering advice and counsel, then the Board would make every effort to have The Teachers' Retirement System exempt from the provisions of the bill. The Board agreed, however, that any final action would have to wait until the Legislative Council produced the bill.

The Secretary then reported MSU's proposed amendment to permit their faculty members to teach past age seventy but not accrue any benefits. After a full discussion, Mr. Mitchell moved that the Secretary be instructed to inform MSU that the Board could not support the bill as it would be discriminatory. Mr. Whitney seconded the motion which was unanimously adopted.

After a discussion of the MEA's proposed legislation to limit the number of years of out-of-state service credit, it was decided that no formal action was necessary as the Association had not requested it.

Mr. Whitney then moved the Secretary be permitted to attend the National Council on Teacher Retirement Convention in Miami the week of September 30 - October 4. Mr. Mitchell seconded the motion which was approved.

Mrs. Myrtle Gaynor's application for survivor's benefit was unanimously approved on a motion by Mr. Hayes and a second by Mr. Whitney.

Myrtle F. Gaynor
Age 54

Survivor of George C. Gaynor
Age 50
Valley County
27 yrs. creditable service
Average salary \$7,000
one minor child
Benefit \$118.56

The following applications for disability benefits were unanimously approved on a motion by Mr. Whitney and a second by Mr. Hayes:

Gladys A. Lutes

Gallatin County
Age - 59
14 yrs. creditable service
Average salary \$3,922.00
Benefit \$ 81.71

LeMoyne E. Sandall

Custer County
Age - 57
13 yrs. creditable service
Average salary \$4,200.00
Benefit \$ 87.50

Elmi M. Kuney

Missoula County
Age - 53
29 yrs. creditable service
Average salary \$6,043.33
Benefit \$187.78

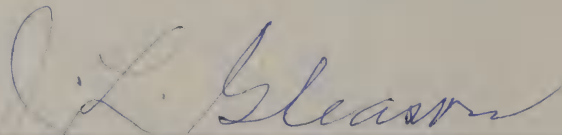
The following applications for retirement benefit were unanimously approved on a motion by Mr. Mitchell and a second by Mr. Whitney:

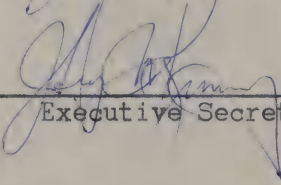
	<u>County</u>	<u>Age</u>	<u>PS</u>	<u>MS</u>	<u>Average Sal.</u>	<u>Benefit</u>	
1.	Bartels, Emma	Silver Bow	65	19	26 $\frac{2}{3}$	\$ 5,811.95	\$ 247.22 Opt.1
2.	Beaver, Jennett	Flathead	64	15 $\frac{2}{3}$	22 $\frac{1}{2}$	4,016.67	148.27 "
3.	Berg, Ruth E.	Dormant	61	8	5	3,466.67	48.87 "
4.	Bettle, Margaret A.	Ylstone	63	16	27	6,893.33	272.74 "
5.	Boelter, Elvera	Sweet Grass	61		24 $\frac{1}{2}$	4,275.00	84.01 "
6.	Bruegger, Vera Mae	Ylstone	66	14 $\frac{1}{2}$	25	7,000.00	245.82 "
7.	Cochran, Miriam	Lewis & Clk	63	9	27	6,439.33	214.49 "
8.	Cooper, Mabel	Toole	64		12	4,916.67	53.98 "
9.	Cornell, Mona	Big Horn	70	6	6	3,776.67	49.50 "
10.	Cowan, Elvira I.	Toole	68	1	25 2/9	4,316.66	53.82 "
11.	Cox, Elizabeth V.	St. Dept.	68		15 $\frac{1}{2}$	4,920.00	70.09 "
12.	Doran, Frances M.	Silver Bow	66	5	21	5,797.12	141.19 "
13.	Grant, Minnie K.	Sanders	67	6	21 $\frac{1}{2}$	4,143.33	108.42 "
14.	Gray, Irene A.	Gallatin	61	1	12	3,800.00	45.52 "
15.	Grove, Hazel H.	Fergus	68	4	20 $\frac{1}{2}$	4,308.33	100.44 "
16.	Hartzog, Edith S.	Lewis & Clk	66		25	6,574.00	137.62 "
17.	Heck, Martha E.	Gallatin	67	11	21 $\frac{1}{2}$	4,785.33	153.26 "
18.	Henke, Della E.	Fergus	62	10	24 $\frac{1}{2}$	6,021.67	185.21 "
19.	Johnson, Grace L.	Vested Rt.	60	10	13	3,153.33	75.99 "
20.	Kay, Bessie V.	Gallatin	69	21	23 $\frac{1}{2}$	5,637.54	262.98 "
21.	Laird, Laura R.	Silver Bow	67	2	10 $\frac{1}{2}$	6,416.95	124.93 "
22.	Kvale, Velma R.	Lake	66	6	9	6,040.00	92.88 "
23.	Lyndes, Julia O.	Msla	65	15 $\frac{1}{2}$	15	6,500.00	201.28 "
	Tax-deferred annuity						21.61
24.	McBride, Maryanne	Sanders	65	10	15 7/9	5,500.00	139.69 "
25.	Wright, Lois R.	Vested Rt.	60	9	13 $\frac{1}{2}$	3,640.00	82.43 "
26.	Davidson, Florence S.	Cascade	70	10 7/9	20 7/9	7,000.00	209.74 Opt. 2
27.	Hansen, Bert B.	University	69	11	25	7,000.00	241.10 Opt. 2
28.	Glynn, Val G.	St. College	60	6	27	7,000.00	198.97 Opt. 2
29.	Lease, Isobelle	Pondera	69	21 $\frac{1}{2}$	26	3,978.33	173.67 Opt. 1
30.	Anderson, Katherine	Cascade	64	15	27	7,000.00	259.62 Opt. 2
31.	Brown, Fred O.	Deer Lodge	64	15	27	7,000.00	243.94 Opt. 3
32.	Cappius, Samuel L.	Lewis & Clk	62	9	26 $\frac{1}{2}$	6,958.33	185.76 Opt. 5
33.	Chamberlin, Clara	Lewis & Clk	68	19	27	6,439.33	253.58 Opt. 2
34.	Craig, Alexina I.	Cascade	64	15	27	7,000.00	257.53 Opt. 2
35.	Duerst, Gladys E.	Hill	66		15	3,525.00	47.38 Opt. 5
36.	Galt, Catherine	Judith Basin	64	1	20 3/4	3,816.67	67.98 Opt. 2
37.	Johnson, Edna C.	Ylstone	62	15	27	6,893.33	257.57 Opt. 2
38.	Mikkelson, Lillian S.	Sanders	60	9	12 $\frac{1}{2}$	6,088.00	121.40 Opt. 2
39.	Ruppel, Henry G.	Powell	65	15 $\frac{1}{2}$	26 $\frac{1}{2}$	7,000.00	260.91 Opt. 4
40.	Ryan, Marjorie J.	Vested Rt.	60	4 7/9	15	4,438.33	79.53 Opt. 2
41.	Scott, Wallace	Richland	61	10	27	7,000.00	217.10 Opt. 4
42.	Seivert, George	Fergus	60	1	31	6,083.33	159.65 Opt. 1
43.	Wiger, Esther	Vested Rt.	60	11	19	4,871.67	140.91 Opt. 2
44.	Pinkerton, Vila E.	Gallatin	60	8	7	3,225.00	50.80 Opt. 1
45.	Vinje, Maude G. M.	Custer	70		23	4,905.00	102.57 "

46.	O'Brien, Alicia	Pondera	60	5	8 $\frac{1}{2}$	6,000.00	76.26	Opt. 1
47.	McCormick, Dorothy B.	Lincoln	62	12 $\frac{1}{3}$	21	6,583.33	206.47	"
48.	Delameter, Jane McGlenn	Flathead	65	11	19	5,917.33	176.61	"
49.	McMahon, Hazel	Ravalli	63	4	8 $\frac{1}{2}$	3,600.00	41.42	"
50.	Malcolm, Bessie	Uncl.	60	13	11	2,880.00	73.05	"
51.	Monahan, Rosalie	Deer Lodge	69	14 $\frac{2}{3}$	26	6,751.66	247.61	"
52.	Morton, Glyde W.	Ravalli	66		11 $\frac{2}{3}$	2,605.55	52.27	"
53.	Nelson, Mildred	Powell	61	8	15	6,283.33	140.34	"
54.	Nordahl, Winona K.	Garfield	64	6 $\frac{2}{9}$	21 $\frac{5}{9}$	3,600.00	87.94	"
55.	Norlander, Isabell E.	Ylstone	61	9 $\frac{2}{3}$	26 $\frac{1}{2}$	6,893.33	222.70	"
56.	Pollock, Miles	Powell	65	$\frac{1}{2}$	24 $\frac{2}{9}$	7,000.00	154.03	"
57.	Richter, Iva L.	State Dept.	67		13	4,440.00	54.41	"
58.	Rogal, Ann M.	Lewis & Clk	62	15	26	6,439.33	246.70	"
59.	Shepard, Mary Ann	Beaverhead	67		12	5,408.33	59.75	"
60.	Standal, Frederick S.	Stillwater	67	4	24 $\frac{2}{3}$	4,300.00	120.04	"
61.	Tippett, Jessie B.	Silver Bow	63	16	27	5,913.33	235.34	"
62.	Van Hyning, Lydia N.	Msla	65	18	27	6,404.33	259.47	"
63.	Van Vleet, Floyd S.	Richland	70	4	18	3,838.33	88.52	"
64.	Walker, Nile R.	Vested Rt.	60	9	13 $\frac{7}{9}$	3,350.00	78.50	"
65.	Wolf, Alice D.	Lake	61	10	19	3,820.00	109.51	"

The next meeting of the Board was set for December 5, 1964 at 10:00 a.m..

The meeting adjourned on proper motion and second at 1:30 p.m..


Chairman, J. L. Gleason


Executive Secretary, J. Hugh McKinny

Executive Secretary's Report
September 19, 1964

The past summer has been very busy. There have been more visitors and more correspondence than I can ever remember. Last year there were more inquiries in regard to the statements but they were answered with a form letter. This year the correspondence has been interested in retirement benefits and bringing accounts up-to-date by redeposit and purchase of out-of-state service. I think the statements are causing this interest. Teachers are even keeping their addresses up-to-date. Of the 9,000 statements we sent out, only 71 have been undelivered.

We have had a bank examiner for the past week or so, Mr. George Pendergast. He has given us the most thorough examination we have ever had. We have only had one other examination that would come close to comparing with this one. He offered several suggestions which I will follow to keep better records of our cash in-flow. It will take more time, of course, but from an administrative point will certainly help. I presume the report will be ready in about three weeks.

So far, we have been very successful in getting lists of the new teachers from the county superintendents. We have changed about twenty-five counties, mostly the smaller ones, however, but we are well into our big project of locating our teachers' accounts for the coming year.

With this summer's additions to the retirement payroll, our average retirement check is now \$120. This overall average is, of course, deceptive because of service and salary. In the following break-down you can see the average by years of service:

<u>10-15 yrs</u>	<u>16-20 yrs</u>	<u>21-25 yrs</u>	<u>26-30 yrs</u>	<u>31-35 yrs</u>	<u>36+ yrs</u>
\$47.72	\$64.93	\$81.80	\$111.65	\$154.38	\$189.74

These averages were drawn from the straight-life options.

Tom and I will again attend the MEA Conventions in October. I will hold Sections in Billings and Wolf Point and Tom will represent us in Missoula and Great Falls.

Investment Report
September 19, 1964

The bond market this summer can be described in one word--dull. Yields on AA bonds in June were 4.50 and the last new issue out in September was 4.53. During the summer the yields did drop to as low as 4.43 because of the scarcity of bonds. When we came into the market in May of 1963, the yields on AA's were about 4.35 so you can see the market hasn't changed very much. Most people seem to feel this is caused by the Federal Reserve Bank pegging the short-term interest rates high to keep capital from flowing overseas. If this is really the case, then interest rates will not vary much through this fall. There won't be a great deal of new financing, however, and the money supply may force the yields down.

We had a very successful bond sale this week, selling \$622,000 Municipal Bonds. This leaves us with about the same amount left for one final sale as soon as the dealers have re-sold our bonds. We received an average of 101 1/8 on the lot which included \$250,000 with a 3.5% coupon. The dollar profit was slightly over \$7,000. The increased earnings on the new investment will be \$5,000 a year.

Since the last meeting we have purchased the following public utility bonds:

\$200,000	Carolina Pwr & Light	AA 4.5	yld - 4.43	Blyth & Hornblower & Weeks
100,000	Potomac Electric	AA 4.5	@ par	Halsey Stuart Co.
100,000	Wisconsin Pub. Service	AA 4.5	yld - 4.47	Halsey Stuart Co.
50,000	Mountain Fuel Supply	A 4.6	@ par	Blyth & Co.

This past quarter we have been able to get some good mortgage paper with the discount still holding from 1.0 to 2.0 per cent. Since the last meeting we have purchased the following list of mortgage offerings:

Exchange State Bank, Glendive	\$199,700.00	@ 99
Bank of Baker	82,000.00	@ 98
Guaranty Co., Billings	145,500.00	@ 98
Streeter Brothers, Billings	88,000.00	@ 98½
Security Bank of Billings	145,000.00	@ 99
Union Bank & Trust Co., Helena	58,000.00	@ 99
Northwest Bank, Lewistown	115,000.00	@ 99

Mortgage rates have held steady in Montana. The trend in building seems to be in larger more expensive homes. These are usually easiest to sell. There is more pressure for 30-year loans and we have bought some with

10 per cent down which is over the minimum FHA requirement.

The Investment Seminar was not as enlightening this year as last. I assume that it was because I was better informed this year. Also, there was quite a bit of review for the new participants. We had some "high-powered" students this year--that is, more well-known students: Robert Blixt of Minnesota, Dr. Ed Kase of New Mexico and Minnesota, Charles Lobdell of Wisconsin and Ray Lillywhite of Ohio. We had six bankers and two insurance company men in addition to the retirement people for a total of 33. Our speakers were more well known this year and included Frank Weedon who was named in Fortune Magazine a few years ago as one of the ten most important men on Wall Street. We, of course, had some of the same people as last year. Dr. Wendt and Dr. Von Der Linde were just as stimulating as last year. All in all, it was indeed very worthwhile.

MINUTES

Retirement Board Meeting
December 5, 1964

The meeting was called to order by the Chairman, Mr. Gleason. In attendance was the full Board: Miss Miller, Mr. Hayes, Mr. Mitchell and Mr. Whitney. Also attending were the Executive Secretary, Mr. McKinny, and the Actuary, Mr. Young.

The minutes of the September meeting, having been in the hands of the members prior to the meeting, were approved on proper motion and second.

The Secretary presented his work report and investment report. These were ordered placed on file on a motion by Mr. Whitney and a second by Mr. Hayes.

The 1st quarter 1965 payrolls in the following approximate amounts were approved on a motion by Miss Miller and a second by Mr. Whitney.

Retirement	approximately \$	174,800.00	per month
Office	"	3,345.00	per month

Reviewing the old business at hand, the Board first considered the Biennial Report to the Legislature. The Secretary's prepared statement on Investment Policies with one minor change was approved for inclusion in the Report on a motion by Miss Miller and a second by Mr. Whitney.

Mr. Whitney then moved that the Secretary be instructed to prepare an article on Investment Policies and Earnings for publication in the MEA Journal. The motion was seconded and unanimously approved by the members.

The Board next considered possible legislation for the upcoming session and reaffirmed its position to remove the salary ceiling.

Next, the Board considered the Legislative Council's proposals to set up an Investment Council and amend the constitution to permit a prudent-man investment law. After examining the provisions of the Legislative Council's investment bill, the Board, on a motion by Mr. Mitchell and a second by Mr. Whitney, unanimously went on record to oppose the bill for the following reasons:

1. It would take the control and responsibility of investing teachers' money from the teachers.
2. The possibility of it being an unconstitutional provision for investing specific teacher contributions rather than tax monies.
3. The make-up of the Investment Council would not be advantageous

to the System.

4. The investments of the System are making a very good return at the present time.
5. It sets up another Board to do the work that can be done under the now existing laws.
6. Past records of Investment Councils have been one of partisan politics.
7. Difference of investment purpose between the Land Board, Industrial Accident Board and Retirement Systems.
8. Differences in professional investment officers and their policies on investments.
9. One professional officer not enough; a professional common-stock man may not be a good bond man and probably know little about real estate mortgages. Thus, the cost will be far more than anticipated.
10. The amendment to the Constitution should come first as the bill does not permit any other areas of investment than we now have.

After the discussion of the areas of investment permitted by the investment law, the Secretary, on a motion by Miss Miller and a second by Mr. Mitchell, was instructed to have a bill prepared to include the investment in A-rated Industrials and A-rated Canadian Bonds.

The Secretary reported that no action could be taken on Mrs. Reiquam's request for service credit past age seventy as the Attorney General had not replied to our request for his official opinion on the matter.

Turning to new business, the Board discussed the interest rate for the Annuity Savings Fund for the fiscal year and after noting the earnings of 4.15 per cent, Mr. Whitney moved the 4 per cent rate be maintained. Mr. Hayes seconded the motion which was unanimously approved.

The Bank Examiner's Report was discussed and Mr. McKinny was instructed to begin securing and using official claims along with the statements of the firms.

The following applications for survivor's benefits were approved on a motion by Mr. Whitney and a second by Mr. Mitchell:

- | | |
|------------------------------|---|
| 1. Betty H. Hughes
Age 55 | Survivor of John G. Hughes - Flathead
Age 61
Average salary \$7,000.00
33 ² / ₉ yrs. creditable service
Benefit <u>\$125.59</u> |
| 2. Margaret Carlstrom | Survivor of Mildred Showman - Big Horn
Age 62
Average Salary \$5,773.33
18 ¹ / ₂ yrs creditable service
Benefit <u>\$ 45.66</u> |

The following application for disability was approved on a motion by Miss Miller and a second by Mr. Hayes.

1. Grace Mortenson
(deafness)

Lewis & Clark

Age 55

Average salary \$7,000.00

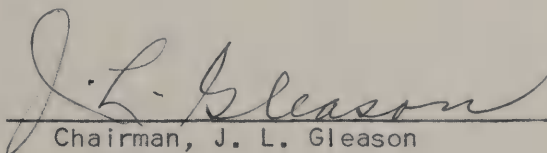
34½ yrs. service

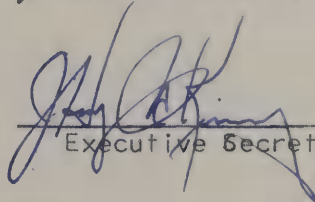
Benefit \$267.80

The following applications for retirement benefit were approved on a motion by Mr. Hayes and a second by Mr. Whitney:

		Age	PS	MS	Average Sal.	Benefit	Opt.
1. Mary Callahan	Vested Rt.	61	8	15	\$ 3,620.00	\$80.09	#1
2. P. W. Callahan	Vested Rt.	60	8	15	3,890.00	87.89	#1
3. Frieda Campbell	Roosevelt	69	13	16	4,050.00	118.75	#1
4. Geraldine Everett	Vested Rt.	60	10	12	1,893.33	62.85	#1
5. Agnes Fadhl	Custer	68	15	27	4,125.00	149.36	#1
6. Florence Grass	Vested Rt.	64	15	16	3,476.00	111.95	#1
7. Loretta Hammer	Judith Basin	61		23½	4,800.00	86.35	#2
8. Ruth Hines	Valley	64		11	4,860.00	45.97	#2
9. Lola Klaue	Chouteau	61	2	11	3,890.00	46.43	#2
10. Lottie Lund	St. Dept.	64		10	2,865.00	27.73	#2
11. Mary Roebuck	Vested Rt.	60	11	13	3,550.00	86.34	#1
12. Mark L. Sorenson	Ravalli	60	11	18	5,910.00	168.42	#2
13. Helen Voss	Missoula	60	11½	27	6,404.00	215.88	#2
14. Rose Armour Smith	Lake	66	1	17½	5,401.66	85.49	#1

The next Board Meeting was set for 10:00 a.m., Saturday morning, March 20 and at 12:45 the meeting adjourned on proper motion and second.


Chairman, J. L. Gleason


Executive Secretary, J. Hugh McKinny

Executive Secretary's Report
December 5, 1964

The proceedings of the meeting of the National Council on Teacher Retirement held in Miami the 1st of October are, as yet, not available but they should be along soon and I will send a copy to you.

We had a good convention; the meetings were interesting and informative. The weather was hot and I left Florida just in time to beat the last hurricane that was hitting New Orleans and the Gulf Coast. The session had more group meetings than usual and Mr. Ken Davis and I had a meeting on investments. We had the largest group and it was a good session but I would have preferred to attend the group on administration although it is hard to get administrators to talk about their operation. For some reason I was appointed to the Executive Committee which, of course, is quite an honor. I will be expected to attend one, or possibly two, more meetings a year but at least the expenses will be paid by the N.E.A.. I was also appointed Chairman of the Investment Committee and a member of the Committee on Retired Teachers Problems for the next year. The next convention will be held in Las Vegas.

We have completed our processing of the teachers' lists and at mid-November we had 11,340 accounts with 8,485 accounts in the public schools and 1,127 in the University and Custodial faculty units. This year we kept track of new teachers coming into the System as opposed to new teachers who had previously withdrawn and, although our count was not 100 per cent accurate, the ratio was 5 to 1 for teachers who had not taught in Montana before. This was a big surprise to me as I was sure we had a much larger number (216) return to teaching who had previously withdrawn.

The office work has progressed well during the quarter but we are behind about two vouchers in our posting. This was caused by illness and some minor troubles with the posting machine. We should be caught up by the end of the month, however.

Since the last meeting, Tom and I attended the MEA Conventions and Tom spoke to a meeting of Missoula rural teachers. I spoke to groups at MSU, Fort Benton and Lewistown and also did estimates for two days in Lewistown. I also attended a meeting of the University of California Advisory Board on November 5 and 6.

Investment Report
December 5, 1964

The bond market had a real flurry of activity in November. Through the summer, as you know, prices were very stable with very little activity and over the market hung the possibility of an increase in the British Bank's rate. Immediately after the Labor Party's election, they announced there would be no immediate change. With that, all the activity began to happen. Buyers who were waiting for higher yields decided they weren't forthcoming and went into the market. Yields on corporate bonds dropped from 4.48 to 4.38 through the period while long-term government yields dropped almost as much. Then on November 23 the British Bank rate was raised from 5 to 7 per cent. Not only was the raise a surprise but the amount of the raise was much higher than anticipated in the summer.

The first reaction, after an announcement that the fear of inflation had nothing to do with it, was an increase of the Federal Reserve rate from $3\frac{1}{2}$ per cent to 4 per cent. At this point, yields jumped sharply but with one problem--there were no bonds around to be bought and if any were available, no one would buy as no one knew what the rates should be or where they would end up. Everyone was waiting for the two big issues that were to be sold on December 1st and 2nd. The first issue, Pacific Gas and Electric, was re-offered at 4.5 and one-third sold the first day. On the 2nd, Niagara Mohawk was re-offered at 4.49 and then both issues sold out during the rest of the day. It looks like, after all the ifs, ands and buts, that the market is right back where it was.

Prior to the increase in the bank rates, we sold the remainder of our Montana Municipals. They were sold in two groups with the last group sold at the end of October. Most of these last two groups were sold to firms other than Piper and Kalman indicating a wider interest in Montana Municipals. We made about \$10,000 over par on the two sales.

Now we can begin looking at the possibility of trading out of our U.S. Treasury 3's of 1995. We can sell these at about 86 and buy the same coupon in public utility bonds for about the same price but the maturity of these bonds would be from 1975 to 1980. This would not substantially increase our yield but it would permit us to get out of the low-coupons from 15 to 20 years sooner. All the buyers I have discussed this with agreed that it was a very good idea.

There has been plenty of mortgage paper available as some of the banks want to cut down their positions for their first-of-the-year statements. Thus the discount rate has held between 1 per cent and 2 per cent.

Since the last meeting we have invested in the following bonds:

\$100,000	Pacific Gas & Electric	AA	4.5	1995	@ par	Halsey, Stuart & Co.
50,000	Northern Illinois Gas	AA	4.5	1989	@ par	R.W. Pressprich Co.
100,000	Southern Bell Tel	AAA	4.0	1983	@4.43	J. Barth & Co.

\$350,000	U.S. FNMA Certificates	AAA	4.375	1974	@ par	Halsey, Stuart Co.
100,000	Louisville & Nashville RR Equip Trust Cert.	AA	4.25	1974	@ 4.40	Halsey, Stuart Co.
200,000	New York Tel & Tel	AAA	4 5/8	2002	@ 4.47	Irving Lundborg Co.
300,000	Public Service Electric	AA	4 5/8	1994	@ 4.53	Francis I. DuPont & Hornblower & Weeks
50,000	San Diego Pwr & Elec	A	4.5	1994	@ par	Hornblower & Weeks
10,000	Montana Power	AA	4.5	1989	@ par	R.W. Pressprich Co.
50,000	Delaware Pwr & Light	AA	4 5/8	1994	@ 4.51	Bache & Co.
100,000	Georgia Pwr & Light	A	4 5/8	1994	@ 4.53	J. Barth & Co.
100,000	Pennsylvania Elec	AA	4 5/8	1994	@ 4.51	1st Boston Corp.

We also have purchased the following mortgage offerings:

Union Bank & Trust Co.	\$ 214,000	@ 99
1st Nat'l Bnk, Helena	204,000	@ 99
Great Falls Nat'l Bnk	122,000	@ 99
Exchange State Bank, Glendive	104,000	@ 99
Streeter Brothers	157,000	@ 98
Bank of Baker	47,000	@ 99

MINUTES

Retirement Board Meeting
March 13, 1965

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Gleason. Other members in attendance were Mr. Hayes, Mr. Mitchell and Mr. Whitney. The Actuary, Mr. Young and the Executive Secretary, Mr. McKinny were also present. The Secretary extended Miss Miller's apologies for not being able to attend but she had to attend a Library Conference the same day in Great Falls.

The Secretary presented his Progress Report along with the Investment Report and the monthly Financial Statement. These were all ordered placed on record.

The office payroll and the retirement payroll, in the approximate amounts, were approved on a motion by Mr. Whitney and a second by Mr. Hayes.

Office Payroll	approx.	\$ 3,345.00	per month
Retirement Payroll	approx.	175,000.00	per month

The Board next turned to the old business at hand and the Secretary reported that the Attorney General's office had not, as yet, ruled on Mrs. Reiquam's request to count her years of service past age seventy in the county superintendent's office.

The Board then reviewed the legislative action just completed and the Secretary reported on the history of the following bills which directly affected the System:

1. SB 19 - Removal of the salary ceiling. Killed by the Rules Committee.
2. HB 81 - Removal of compulsory retirement for University professors and permitting retired teachers to earn one-fourth their average salary as a substitute teacher without giving up retirement benefits.
3. HB 3 - Investment Council. - Killed on 2nd reading.
4. HB 176 - Pay all eligible minor children \$50 a month in death benefits rather than maximum two. Signed into law
5. HB 529 - Appropriations Bill which permits us to spend all funds requested with Secretary's salary restricted for next biennium.

The Board next turned to the new business at hand and approved the request by the Secretary for him and his assistant to attend the Seminar on Fiduciary Investments at the University of California in August on a motion by Mr. Whitney and a second by Mr. Hayes.

Next, the Board approved the request of the Secretary to attend the meeting of the Executive Committee of the National Council on Teacher Retirement in Las Vegas, April 23-25, on a motion by Mr. Hayes and a second by Mr. Mitchell.

The following applications for retirement benefit were approved on a motion by Mr. Whitney and a second by Mr. Mitchell:

	<u>County</u>	<u>Age</u>	<u>PS</u>	<u>MS</u>	<u>Average Sal.</u>	<u>Benefit</u>	<u>Opt.</u>
1. Bulman, Lucille	Hill	60	11	19	\$ 6,476.67	\$181.12	#1
2. Carney, Grace	Sweet Grass	65		14	3,848.00	56.91	#1
3. Carrigan, Jewell	Beaverhead VR	60	3	13	3,315.00	49.80	#1
4. Delamore, Irene	Richland	61	10	16	3,772.00	97.82	#1
5. Goe, Iva	Big Horn	60 - 68	6	24	5,350.00	127.12	#3
6. Gustafson, Elsie	Rosebud VR	60	7	8 1/9	2,333.33	43.17	#1
7. Haddock, Beatrice	Deer Lodge	60	10	9	5,116.67	98.79	#1
8. Hansen, Bert	U. of Mont.	69	11	25	7,000.00	241.10	#2
9. Madsen, Osta	Sheridan	60	13 1/2	26	5,773.33	212.81	#1
10. McKinney, Myrtle	Glacier VR	60	13	26	6,167.77	221.56	#1
11. McLeod, Elizabeth	Granite	67	1	26	4,300.00	92.97	#1
12. McNees, Clara	Ravalli VR	60	4	11	2,400.00	42.86	#1
13. Swearingen, Thomas	U. of Mont.	68	16	26	7,000.00	266.07	#2
14. True, Louis	U. of Mont.	66	8 1/2	27 1/2	7,000.00	228.28	#2
Louis True - Tax-sheltered Annuity						28.26	
15. West, Roberta	Blaine VR	60	2	15	3,776.67	54.21	#1
16. Van Alstyne, Violet	Deer Lodge	60	12	8 1/2	5,179.00	109.36	#2

The following applications for survivor's benefits were approved on a motion by Mr. Hayes and a second by Mr. Whitney:

1. Mary A. Loe age 13	Survivor of Myron & Grace Loe - Granite Co. PS 3 1/2 yrs. (ages 50 & 44) MS 19 1/2 yrs. Average salary \$ 7,000.00 ASF \$6,415.50 Benefit <u>\$40.37</u>
2. Lillian DeWitt age 51	Survivor of Lloyd DeWitt, Yellowstone Co. Age 55 PS 7 yrs. MS 27 1/2 yrs. Average salary - \$7,000.00 ASF \$7,289.01 Benefit <u>\$96.46</u>

The following application for disability was approved on a motion by Mr. Mitchell and a second by Mr. Whitney:

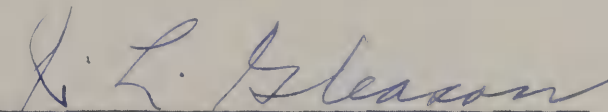
Kenneth Fowell
age 56

Cascade County
PS 8 yrs.
MS 27½ yrs.
Average salary - \$7,000
Benefit \$144.56 Opt. #5

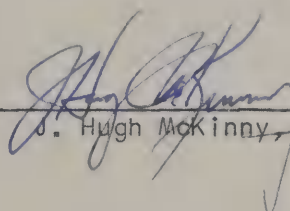
All payments to Kenneth Fowell to go to his wife, age 51, after his death.

All motions presented were unanimously approved.

The next meeting of the Board was set for 10:00 a.m., May 22, 1965, and the meeting adjourned at 12:30 on proper motion and second.



J. L. Gleason, Chairman of Board



J. Hugh McKinny, Executive Secretary

Executive Secretary's Report
March 13, 1965

I hope that our relationship with some of the members of the Legislature will improve during the next two years. We took most of the blame for the defeat of HB 3 and some of its ardent backers have become very powerful legislators and they will be difficult to placate. I hope we have made some new friends who will get re-elected.

I wish now that I had heard all of the debates but I couldn't stand to listen to the bad information put out by both sides. Our number 1 champion turned out to be John Sheehy of Billings. It was he who really did the work but we had strong help on both sides of the aisle as the bill was truly non-political. It was a strange thing to see Lucas, Cerovski and Gilfeather working together against Bardanouve, McNamer and Felt.

One thing about the floor debate,--we never got anything but praise on our investment program. I took a little personal abuse but Sheehy passed some out also.

In spite of Legislature, we have still managed to get a lot of work done during the past quarter. Posting is all up-to-date including mortgages and employer contributions. The interest has all been figured and is ready to be posted at the end of the fiscal year. Our follow-up drive for membership records was very successful but we still have teachers who have not completed our forms. Teachers whose accounts are to automatically go into vested right status have been notified. Districts who have teachers reaching compulsory retirement this term will be notified this coming week.

Travel was very limited. I made a trip to Dutton and after that I wouldn't leave town. I had an agreement with the Chairman of the State Administration Committee not to hold a hearing on HB 3 because I had to go to Dutton. As soon as I left town, they had their first hearing. I have quite a list of places to speak now--Absarokee, Havre, Roundup, Billings, Libby and Wolf Point, all before May 19. I will undoubtedly have more before school is out. I fully intend to pass the word on HB 3 and our investment program.

Investment Report
March 13, 1965

The market had a double swing during the past quarter. New issues of AA bonds in mid-December sold well to yield 4.50. During January and February, these issues yielded as low as 4.40 but during the past week two new issues of AA Florida Power and Oklahoma Gas sold out very quickly at just over 4.50. At the same time deep discount issues of low coupon bonds sold to yield between 4.40 and 4.45 in December but now sell to yield between 4.30 and 4.35. This would seem to indicate that the market still anticipates an anticipated drop in yield or a distinct under-supply of low coupon bonds.

We completed our trade of U. S. Treasury 3's of 1995 when they were the highest they had been for some time ($86\frac{1}{4}$) and got our deep discounts when they were the cheapest, yielding about 4.41-4.43. In the sale we came out with a plus side on 3% coupons the same as we sold but the maturity date is now 1977 instead of 1995. The yield figures on these discounts don't mean anything to us as we must carry them at par or show a big loss in the sale of the Treasuries.

Last month we traded a large group of U. S. Treasury $3\frac{1}{4}$'s of 1983 for the same amount of U.S. Treasury $3\frac{1}{2}$'s of 98. The $3\frac{1}{2}$'s cost 88-10/32 and the $3\frac{1}{4}$'s sold for 88-12/32. The trade involved \$2,867,500 in bonds which will increase our income \$7,200 a year or \$130,000 over the 18-year life of the $3\frac{1}{4}$'s.

Here is a list of the bonds we purchased to replace the 3's of 1995:

50M	AAA	Texas Power & Light	3's of 77	@ 86 $\frac{3}{8}$	Hornblower & Weeks
100M	AAA	Consumers Power Co.	3 $\frac{1}{8}$ of 81	@ 85 $\frac{1}{2}$	E. F. Hutton Co.
100M	AAA	Duke Power Co.	2 $\frac{7}{8}$ of 79	@ 84 $\frac{1}{4}$	1st Boston Corporation
100M	AA	Northern Indiana Pub. Ser.	3 $\frac{1}{8}$ of 73	@ 91 $\frac{1}{8}$	Irving Lundborg Co.
95M	AA	Consolidated Edison	3's of 79	@ 85 $\frac{1}{2}$	E. F. Hutton Co.
285M	AA	Pacific Gas & Electric	3's of 74	@ 86 $\frac{1}{2}$	1st Boston Corporation
170M	AAA	Commonwealth Edison	$3\frac{1}{4}$ of 82	@ 86 $\frac{1}{8}$	1st Boston Corporation
200M	AA	Northern States Power	2 $\frac{3}{4}$ of 75	@ 86 $\frac{1}{8}$	1st Boston Corporation
50M	AAA	Commonwealth Edison	3's of 77	@ 87	1st Boston Corporation
40M	AA	Illinois Power Co.	3 $\frac{1}{8}$ of 78	@ 87 $\frac{1}{2}$	Eastman Dillon Securities
\$1,200,000		TOTAL			

Here, also, is a list of purchases with new money since the last meeting:

50M	AA	Florida Power & Light	3's of 77	4.43	Hornblower & Weeks
250M	A	Tucson Gas & Electric	4.55 of 95	4.55	Blyth & Co.
100M	AA	Illinois Central RR Equip.			
		Trust Certificates	4 $\frac{1}{8}$ of 76	4.375	E. F. Hutton Co.
38M	AA	Montana Power Co.	4 $\frac{1}{2}$ of 89	4.43	J. M. Dain & Co.
66M	AAA	Public Service of Indiana	3 $\frac{1}{8}$ of 77	4.42	Irving Lundborg Co.
13M	AAA	Consumers Power	3 $\frac{1}{8}$ of 81	4.42	E. F. Hutton Co.

50M	AA	Southern Calif. Electric	3's of 79	4.43	Hornblower & Weeks
100M	AA	Pacific Gas & Electric	4½ of 94	4.50	Francis I. DuPont Co.
50M	AA	Southern Calif. Electric	3's of 79	4.43	Hornblower & Weeks
100M	A	Connecticut Yankee Pwr Co.	4½ of 93	4.58	Salomon Bros.
100M	AA	Southern Calif. Edison	4½ of 90	4.48	Weeden & Co.

The mortgage market has held firm through the winter and we have been able to buy all the paper we need at 98 and 99. Below are the mortgage offerings purchased during the last quarter:

\$ 117,900	1st Nat'l Bnk, Helena	@ 99
75,750	Streeter Bros.	@ 99
209,400	Guaranty Co.	@ 98 & 99
96,500	Bank of Baker	@ 98 & 99
105,000	Great Falls Nat'l Bnk	@ 99
174,900	Exchange State Bnk	@ 99

MINUTES

Retirement Board Meeting
May 22, 1965

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Gleason. In attendance were members, Mr. Hayes and Mr. Whitney. Also in attendance were the Actuary, Mr. Young and the Secretary, Mr. McKinny. Mr. Mitchell was unable to attend because of an unexpected business matter and Miss Miller was unable to attend because her plane was grounded in Billings by bad weather.

The minutes of the March meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Whitney and a second by Mr. Hayes.

The Secretary presented his report and the investment report which were both ordered placed on file on a motion by Mr. Hayes and a second by Mr. Whitney.

The office payroll and the retirement payroll for the 3rd quarter of 1965, in the following approximate amounts, were approved subject to any amendments which might be approved later in the meeting.

Office payroll	approximately	\$ 3,345.00 per month
Retirement payroll	"	175,600.00 per month

The Board next turned to the old business at hand and the Secretary reported the Attorney General's opinion on Muriel Reiquam which would not permit her to count her service past age seventy but ordered her placed on retirement to receive benefits even though she continued in her position as county superintendent.

The Board next considered the Secretary's request to destroy the following records:

- | | |
|---|-----------|
| 1. Retirement checks | 1937-1960 |
| 2. Retirement payrolls | 1937-1960 |
| 3. General Accounting Records | 1937-1960 |
| 4. Records of teacher's withdrawals | 1937-1956 |
| 5. Remittance sheets | 1955-1960 |
| 6. Membership records of teachers who
have withdrawn | 1937-1956 |
| 7. General Correspondence | 1937-1956 |

All of this material has been or will be microfilmed .

Mr. Hayes moved that permission to destroy the records be granted provided that all the material was microfilmed and properly proofed. Mr. Whitney

seconded the motion which was approved.

The request by the Citizens State Bank of Choteau for a Servicing Agreement was next considered and Mr. Hayes moved that the Secretary be instructed to secure the proper signatures to validate the agreement. Mr. Whitney seconded the motion which was approved.

The Board next considered Mrs. Ben Wright's request for additional payments to her minor children under HB 176 which permits benefits to all children under age eighteen. Mrs. Wright felt that all her children under age eighteen were entitled to the benefits even though the law at the time of the death of the teacher limited the payment to two children. After a thorough discussion, Mr. Hayes moved that the remaining children be paid under the provisions of HB 176 beginning with the passing of the Bill and that the Secretary be instructed to search the records for any other children who might be entitled to benefits. Mr. Whitney seconded the motion which was approved.

The Board next considered hiring Moody's Investment Service as an aid to our investment program. After a complete discussion, Mr. Whitney moved that consideration of the request be tabled. Mr. Hayes seconded the motion which was approved.

The Board next considered the Secretary's request for the following salary adjustments for the staff:

1. Thomas E. Schneider	\$625.00 to \$650.00
2. Naomi Didriksen	385.00 to 400.00
3. Elsie Wilcox	385.00 to 400.00
4. Dorris Morris	410.00 to 425.00
5. Virgie Baird	340.00 to 360.00

Mr. Hayes moved that the adjustments be granted. Mr. Whitney seconded the motion which was approved.

The request of the Secretary to hire an additional employee at a starting salary of \$285-\$300 a month was also approved on a motion by Mr. Hayes and a second by Mr. Whitney.

The expense budget for 1965-66 was approved on a motion by Mr. Whitney and a second by Mr. Hayes:

	<u>Actual</u> <u>1964-65</u>	<u>Estimate</u> <u>1965-66</u>
Salaries	\$ 36,430.00	\$ 41,000.00
Employees' Benefits	2,242.00	2,900.00
Supplies	1,859.00	2,500.00
Communication	3,048.00	3,200.00
Travel	3,434.00	3,525.00
Rent, dues, subscriptions	3,380.00	6,800.00
Special fees	4,430.00	9,500.00
Maintenance	1,237.00	1,650.00
Equipment	7,593.00	1,075.00
	<u>\$ 63,653.00</u>	<u>\$ 72,150.00</u>

The following application for survivor's benefits was approved on a motion by Mr. Whitney and a second by Mr. Hayes:

Norma Tuffley
age 50

Survivor of Helen Arildsen — Custer Co.
age 56
PS $3\frac{1}{2}$ yrs. — MS 20 yrs.
Average salary \$3,966.33
ASF 1,959.47
Benefit \$41.20 a month

The following applications for retirement benefit were approved on a motion by Mr. Hayes and a second by Mr. Whitney:

	<u>County</u>	<u>Age</u>	<u>PS</u>	<u>MS</u>	<u>Average salary</u>	<u>Benefit</u>	<u>Opt.</u>
1. Beary, D. H.	VR, Msla	60	12	23	\$ 5,666.67	\$ 181.75	4
2. Brink, Marie	Rosebud	63	$6\frac{1}{2}$	$13\frac{1}{2}$	4,263.33	81.76	2
3. Brockman, Louis O.	VR, Nrthn	60	7	26	6,666.67	172.97	5
4. Lawhead, Bessie	VR, Blaine	60	13	9	1,581.67	62.85	1
5. Elna St. Marie	VR, Big Horn	60	13	10	2,816.33	66.26	1
6. Wiggins, Ruth E.	Jefferson	60	$3\frac{1}{2}$	$7\frac{2}{3}$	4,966.67	53.25	1
7. Armsby, Lucille J.	U of M	64	13	28	7,000.00	257.11	1
8. Bock, Dan A.	Ystone	63	11	28	7,000.00	252.57	1
9. Bock, Dora C.	Ystone	62	$4\frac{1}{2}$	$13\frac{1}{2}$	5,425.83	93.36	1
10. Bontz, Margaret	Ystone	64	17	28	6,980.00	285.22	1
11. Carlson, Laura F.	Flathead	65	$13\frac{2}{3}$	$27\frac{1}{2}$	6,415.00	207.40	5
12. Conroy, Edna M.	Pondera	66		17	5,233.33	74.44	1
13. Dick, Myrl	Ystone	66	8	19	4,200.00	109.15	1
14. Eilertsen, Helen	Richland	63	$10\frac{1}{2}$	18	4,150.00	109.62	1
15. Goard, Mary E.	Custer	65		$16\frac{1}{4}$	4,266.67	63.58	1
16. Guslander, Adama	Blaine	68	6	9	3,496.67	49.29	1
17. Holland, M. Estella	Fergus	65		24	6,368.33	121.06	1
18. Hough, Agnes M.	Chouteau	70	$9\frac{1}{2}$	28	4,466.67	159.53	1
19. Ingwalson, Naomi	Blaine	64		18	6,200.00	97.76	1
20. Meyer, Hazel B.	Ystone	62		30	6,980.00	164.97	1
21. Peterson, Gladys E.	Richland	62	$12\frac{2}{9}$	27	4,691.67	168.06	1
22. Ross, Harry M.	Ystone	67	$17\frac{2}{3}$	24	7,000.00	187.67	3
23. Rowley, Ruby J.	Carter	62	5	20	4,533.33	100.16	1
24. Schneider, Melvin L.	Lincoln	68	$18\frac{1}{4}$	$7\frac{1}{2}$	3,841.67	109.32	1
25. Shellenberger, C. L.	Gallatin	67	13	26	7,000.00	199.05	5
26. Sussex, Anne	Hill	65	11	20	6,476.67	199.09	1
27. Vernon, Mildred	Cascade	70	6	$11\frac{7}{9}$	5,250.00	94.91	1
28. Wangen, Mary	McCone	69	2	23	4,646.67	108.24	1
29. Williams, Nona	Cascade	69	20	28	7,000.00	301.78	1
30. Beck, Mabel M.	VR, Fergus	60	$9\frac{1}{2}$	$16\frac{1}{2}$	3,695.00	93.66	2

The Board next considered its organization for the fiscal year 1965-66. Mr. Gleason stated that he did not wish to retain the Chairmanship and that it should be passed to another member. Mr. Hayes then moved that Mr. Whitney be elected Chairman. Mr. Gleason seconded the motion which was approved. The Board then instructed the Secretary to write the Governor to

urge the reappointment of Mr. Mitchell whose term was to expire July 1.

The next meeting of the Board was set for September 18 at 10:00 a.m..

Jess W. Whitney
Jess W. Whitney, Chairman of Board

J. Hugh McKinny, Executive Secretary

J. Hugh McKinny

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9/19/68

Executive Secretary's Report
May 22, 1965

It is a pleasure for me to point out ridiculous mistakes by the Legislative Council. They drew up a bill to permit the Controller to bond all state employees under one bond rather than have each department bond their own employees. This was to save the state money, but, of course, no one will ever know. The point is, as far as we are concerned, that in drawing up the bill they inadvertently repealed a large section of our law in the process. We no longer have legal provisions for a legal advisor (the attorney general's office), a medical board (which we never used) nor an actuary, which, of course, is absolutely necessary. We will have to put back these provisions in the next session and hope that no one legally presses us because of the employment of an actuary. I am sure the Adjutant General is more concerned, however, as the bill, in effect, reduced his salary to \$4,200.

We have sent out 67 applications for retirement as compared to 82 at this time last year. Last year we had 46 retirement applications returned and processed and this year we have 38. The average retirement age is still about sixty--four. The 38 applicants here have an average salary of \$5,225 and an average benefit of \$135.23. Last year, the first group averaged \$5,935 and had an average benefit of \$174, so it looks like the additions this year will be less all the way around but I know we will still have some larger ones to figure but they haven't written in as yet.

The work in the office has been going very well. All the interest has been calculated, totaled and ready to post. The posting of the contributions and mortgages is up-to-date. We are now into the big run on refunds which seems to be about the same as last year. One thing that may make it seem like there are more is that we are finally getting them to wait until school is out to apply. The big exodus from school systems this year seems to be in Brockton and Lodge Grass.

Besides attending the Executive Board meeting of the National Council on Teacher Retirement at the end of April, I spoke in Billings and Libby. Tom did estimates in Wolf Point and spoke in Roundup.

Investment Report

May 22, 1965

The bond market continued dull since our last meeting until last week when prices of corporate bonds eased considerably. At the beginning of the period, new issues of AA bonds were selling to yield near 4.50. Prices increased and a month ago the new issues were yielding 4.45. Tuesday, Virginia Electric Bonds were issued to yield 4.515. At the same time Pacific Telephone and Telegraph, an AAA company, sold 125 million to yield 4.50. Neither offer has met with much success but the Virginias sold better than the Tel Co.. Columbia Gas, an A company, sold bonds last week to yield 4.60; these are now being offered to yield 4.65 and they are not moving at that price. During the same period, Government Bonds remained unchanged to fractions lower.

The biggest activity for us has been in mortgage paper. The combination of an increase in the Federal Reserve lending rate and lower deposits has forced many banks to sell mortgages to get operating cash. This is especially true in eastern Montana.

Since our last meeting we have purchased the following corporate bonds:

\$ 100,000	Union Electric	AA	4 $\frac{1}{2}$ of 1993	to yield 4.48	J. Barth & Co.
45,000	Chicago, Milwaukee, St. Paul & Pacific	A	4 7/8 of 1972	to yield 4.50	Pressprich & Co.

We also purchased the following mortgage offerings:

\$ 75,000.00	Exchange State Bank, Glendive	@ 99
101,000.00	Streeter Brothers, Billings	@ 98 & 99
178,000.00	Bank of Baker	@ 99
101,500.00	Miles City Bank	@ 99
111,000.00	Security Bank, Billings	@ 99

We still have a lot of paper which we can buy but the discount rate will be 2 per cent instead of 1 per cent.

MINUTES
Retirement Board Meeting
September 18, 1965

The regular meeting of the Teachers' Retirement Board was held September 18, 1965, in the System's office located in the Lundy Center. The meeting was called to order at 10:00 am.m by the Chairman, Mr. Whitney. In attendance were members Mr. Hayes, Mr. Gleason and Mr. Mitchell along with the Actuary, Mr. Young, and the Secretary, Mr. McKinny. Miss Miller was unable to attend because of a meeting with the personnel from the U. S. Office of Education.

After an examination of the new quarters, Mr. Gleason moved that the Secretary, with the permission of the manager of the building, put up a sign at the front of the building to make the office easier to find. Mr. Mitchell seconded the motion which was approved.

The minutes of the June meeting, having been in the hands of the members prior to the meeting, were approved following a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary presented his work report and investment report which were ordered placed on file on a motion by Mr. Gleason and a second by Mr. Hayes.

The office payroll and the retirement payroll for the fourth quarter of 1965, in the following approximate amounts, were approved on a motion by Mr. Gleason and a second by Mr. Mitchell.

Office payroll	\$ 3,395.00
Retirement payroll	191,000.00

The Secretary then reported that the total additional cost to date of the amendments to pay all minor children of eligible deceased members would be \$350, as the children involved would be eighteen by July 1. The System received a note of appreciation from Mrs. Wright as she said the additional payment would permit her son to enroll this fall quarter instead of winter quarter as planned.

The Board next considered Rosalea Fox's request for a July retirement payment. Mrs. Fox, because of health and a death in her family, had neglected to send in her signed application for retirement benefits until the first week in August. The law specifically states that the signed application must be filed with the Board but Mrs. Fox felt that her letter of April 5, stating her intention to retire, could suffice. After a full discussion, the Board felt that this line of reasoning could not prevail as any letter requesting an estimate of a retirement benefit at a certain specific time could be considered as a letter of intent for retirement. At this point, Mr. Mitchell moved that the Board continue its policy, which conformed with the law, of not placing members on retirement until the signed application had been received from the member. Mr. Hayes seconded the motion which was unanimously approved.

The Secretary's request to attend the annual convention of the National Council on Teacher Retirement at Las Vegas October 3-7 was unanimously approved on a motion by Mr. Hayes and a second by Mr. Mitchell.

Mr. Hayes then moved that the Secretary purchase two additional 4-drawer file cabinets for office use. Mr. Gleason seconded the motion which was also approved.

The following application for survivorship benefit was approved on a motion by Mr. Gleason and a second by Mr. Hayes:

Lina Roskie
age 84
Benefit \$357.29

Survivor of Gertrude Roskie - MSU
Age - 57
PS - 7 yrs, MS 27 yrs.
ASF - \$6,859.10
Average salary - \$7,000.00

The following applications for retirement were approved on a motion by Mr. Mitchell and a second by Mr. Hayes:

	<u>County</u>	<u>Age</u>	<u>PS</u>	<u>MS</u>	<u>Average salary</u>	<u>Benefit</u>	<u>Opt.</u>
1. Ames, Annie C.	Beaverhead	70	3	17	\$ 4,450.00	\$ 82.59	1
2. Anderson, Catherine G.	Silver Bow	70	24	28	7,000.00	330.81	1
3. Bacon, Bertha	Richland	69	1	9 $\frac{1}{3}$	3,650.00	38.25	1
4. Bagley, Martha	Cascade	62	5	21 $\frac{1}{2}$	4,904.17	118.81	1
5. Baker, Noel I.	Msia	67	13	23	6,853.00	149.80	3
6. Barry, Mayme	Deer Lodge	67	19	28	5,950.00	250.23	2
7. Baulch, Lorena	Fergus	64	2	10	3,300.00	37.35	2
8. Berg, Ruth E.	Meagher	62	8	5 3/4	3,737.33	55.18	1
9. Blankenhorn, John W.	MSU	68	4	28	7,000.00	168.86	5
10. Bledsoe, Ruby	Beaverhead	67		14 $\frac{1}{2}$	4,035.00	53.54	1
11. Blood, Mary K.	Powell	60	5 $\frac{1}{2}$	13	5,245.33	91.18	1
12. Bowman, Gladys	Carbon	61	13	28	5,725.00	215.79	1
13. Braun, Louise	Lewis & Clk	65	1	34 $\frac{1}{2}$	4,783.33	131.53	1
14. Bush, Anna M.	Silver Bow	62	16 $\frac{1}{3}$	28	7,000.00	290.94	1
15. Cheever, H. C.	MSU	70	14	26	7,000.00	230.03	4
16. Child, Arline	Fallon	60	1	10	5,550.00	55.37	1
17. Clarke, Mayme D.	Ravalli	70	15	27	3,900.00	150.06	1
18. Clifford, Marie G.	Silver Bow	63	18 $\frac{1}{2}$	28	7,000.00	294.76	2
19. Coad, Myrl G.	Cascade	62	15	28	7,000.00	277.25	1
20. Conroy, Edna M.	Pondera	66	3	17	5,233.33	93.13	1
21. Cushman, Edna F.	Cascade	61	4	15 $\frac{1}{2}$	4,458.33	77.24	2
22. Dambly, Helen	Yellowstone	60	9	18	5,550.00	140.96	2
23. Delisle, Eva L.	Yellowstone	63		11	4,233.33	42.99	1
24. Duffield, Elizabeth	Yellowstone	66	17 $\frac{2}{3}$	28	7,000.00	288.12	1
25. Dunn, Hester	Lincoln	61	12	20 7/9	5,008.33	160.56	1
26. Erdahl, Alice	Gallatin	62		24 $\frac{2}{3}$	5,008.33	102.59	1
27. Fosjord, Lourinda C.	VR Flathead	60	5 $\frac{1}{2}$	10	4,220.00	62.32	1
28. Fox, Rosalea S.	Teton	62	12	17	5,758.33	157.19	1
29. Gerard, Vivienne	Glacier	61	10	25	5,120.00	167.88	1
30. Gill, Gladys M.	Silver Bow	66	17	2/9 27	7,000.00	272.12	2

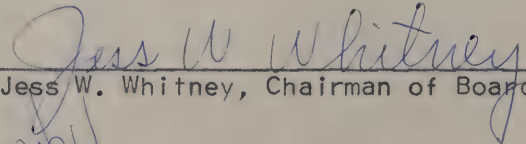
31.	Hagerty, Margaret	Silver Bow	65	15	28	\$7,000.00	\$268.33	1
32.	Harris, James C.	Silver Bow	69	15	28	7,000.00	229.28	4
33.	Healow, Burnetta	Richland	65	4 $\frac{2}{3}$	22	4,691.66	113.57	1
34.	Heare, Ethel F.	Gallatin	70	3	15	3,916.67	64.98	1
35.	Hearst, Mildred	Sanders	65		23 $\frac{1}{4}$	6,505.33	130.22	1
36.	Hendrickson, Susan F.	Lewis & Clk	61		11	5,994.00	56.79	1
37.	Herbert, Laura C.	Missoula	61		19	4,596.67	76.50	1
38.	Hintzman, Naomi	Petroleum	60		17 $\frac{1}{2}$	4,583.33	59.96	3
39.	Hintzman, Vernon	Petroleum	64	11	22 $\frac{1}{2}$	5,733.33	123.76	3
40.	Hoem, Inga A.	Silver Bow	69	16 $\frac{1}{2}$	26 $\frac{1}{2}$	6,785.66	261.91	1
41.	Hogan, Maybelle	Silver Bow	71	19 $\frac{2}{3}$	28	5,500.00	238.44	1
42.	Huddleston, Julia V.	Carbon	62	12 $\frac{1}{2}$	20	3,456.67	105.97	1
43.	Hunt, Catherine C.	Silver Bow	63	15	25	6,605.00	244.55	1
44.	Hurst, John W.	MSU	69	21	25	7,000.00	305.43	1
45.	Jacobsen, Carl P.	Flathead	62	13	28	7,000.00	190.84	3
46.	Jacobsen, Susie A.	Flathead	60	10 $\frac{1}{2}$	22	4,225.00	115.72	3
47.	Jamison, Mae	Blaine	70	3	10 $\frac{1}{3}$	3,763.00	40.69	3
48.	Johnson, Ellen M.	Silver Bow	63	15	28	7,000.00	274.68	1
49.	Johnson, Helen S.	Yellowstone	62		21 $\frac{1}{2}$	6,980.00	122.46	2
50.	Kinder, Anna	Blaine	69	8	21 $\frac{1}{3}$	3,890.00	108.46	1
51.	Kitchens, Cina	Phillips	61		18 $\frac{1}{2}$	4,825.00	75.52	1
52.	Knapp, Clifford D.	Gallatin	64	14	28	7,000.00	262.27	2
53.	Knapp, Margery M.	Lincoln	63		10	4,000.00	36.32	1
54.	Kongelf, Eunice	Custer	62	12	17	5,770.00	163.90	1
55.	Kraber, Dorothy L. Ca	Cascade	60	5 $\frac{1}{2}$	5 $\frac{1}{2}$	5,197.67	59.32	1
56.	Kundert, Mary E.	Gallatin	69	15	9	3,275.00	87.57	1
57.	Kyle, Lura M.	Powell	68	4	18	3,510.00	73.61	1
58.	Lamb, Bernice	MSU	62		33	7,000.00	183.27	1
59.	Lane, Mary L.	Pondera	64	13 $\frac{1}{2}$	28	6,441.67	237.56	1
60.	Lawson, Beatrice H.	Jefferson	64	4	8	3,850.00	46.39	1
61.	Lee, Helen B.	VR Yellowstone	60	7	26	6,666.67	196.05	1
62.	McCormick, Cora Q.	Ravalli	69	2 $\frac{1}{2}$	14	5,323.33	79.82	1
63.	McGinnis, Myrtle M.	Cascade	64		26	6,653.33	141.58	2
64.	Malmo, Martha W.	Silver Bow	64	13	22	6,182.57	201.76	2
65.	Morley, Marian	Toole	62		11	5,158.33	50.70	1
66.	Mosby, Mattie	Rosebud	62	3	16 $\frac{1}{2}$	4,083.33	70.83	1
67.	Morris, Floy	Yellowstone	62	4	20	6,933.33	142.51	2
68.	Nile, Stephen W.	Montana Tech.	61		21	7,000.00	131.24	1
69.	Norem, Stanley C.	Fallon	61	9 $\frac{1}{2}$	22	7,000.00	207.33	2
70.	Orgain, Gladys	Flathead	62	6	20	4,858.33	115.37	1
71.	Page, May C.	Lake	60	8	8 1/9	4,690.00	78.48	1
72.	Peterson, Frances M.	Custer	62	13	28	6,495.00	242.20	1
73.	Pietsch, Lucille M.	Silver Bow	66	5	24	5,825.67	153.57	1
74.	Poese, Waive K.	Granite	70	19 $\frac{1}{2}$	20	4,891.00	189.43	1
75.	Pritchett, Gladys M.	Lake	60	7	25	6,766.67	193.58	1
76.	Reiquam, Muriel S.	Teton	70	8	22	4,440.67	133.81	1
77.	Roberts, Amy E.	Carbon	68	6	12	4,466.67	81.71	1
78.	Rogers, Maud F.	Yellowstone	62	13	28	6,980.00	255.60	1
79.	Rowley, Ruby J.	Carter	62	5	21	4,533.33	102.86	1
80.	Russel, Giles G.	Lewis & Clk	64	13	25	7,000.00	222.30	4
81.	Sandmeyer, Olive M.	VR Judith Basin	60	7	25	4,422.67	124.03	1
82.	Schultz, Alma	Chouteau	66		12	3,555.00	41.96	1

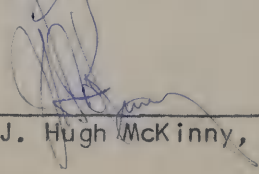
83.	Schump, Arthur L.	Sweet Grass	70	14½	28	6,776.67	260.37	1
84.	Scollard, Kate	Rosebud	70	1	13	4,205.00	58.54	1
85.	Seibel, Greta	Missoula	60	6	24	6,788.33	174.36	2
86.	Smith, Dorothy E.	Park	61	5½	28	6,728.33	196.70	1
87.	Starina, Eleanor	Big Horn	62	14	13 7/9	6,141.67	174.68	1
88.	Stringfield, Lillian	VR Powder Riv.	60		10	3,330.00	30.06	1
89.	Tepling, Myrtle L.	Lincoln	63	1	11	5,826.67	60.52	1
90.	Thompson, Verdelle	Lincoln	61		17	5,113.33	75.24	1
91.	Turner, Thelma	Phillips	61	15	27½	6,133.33	238.41	1
92.	Van Vleet, Floyd	Richland	70	4	18	3,838.33	88.53	1
93.	Vivian, Virginia M.	Silver Bow	66	16	21	7,000.00	246.57	2
94.	Ware, Ellen E.	Stillwater	65	9½	25½	6,625.00	212.89	1
95.	Wilson, Paul E.	Missoula	65	14	28	7,000.00	271.47	1
96.	Winter, Bernice	Lake	64		12½	4,826.67	53.32	1
97.	Cole, Ione K.	Fergus	62	8	9	4,333.33	75.66	1
98.	Rusch, Dora C.	Lewis & Clk	64	4	25½	4,816.67	117.46	1
99.	Guthrie, Mona D.	Lincoln	61		21½	6,675.00	115.80	1
100.	Guthrie, Joseph M.	Lincoln	61		20½	5,808.33	104.38	1
101.	Tomlinson, Helen M.	Powell	65	6	20⅔	5,041.66	126.55	1
102.	Soulsby, Alice	Judith Bsn	60	9	12	4,116.67	82.57	2
103.	Sommers, Hazel	Roosevelt	67	7	27⅓	5,050.00	161.35	1
104.	Treiber, Mattie S.	Yellowstone	62	13	16	4,433.33	121.45	1

The following applications for disability allowance were approved on a motion by Mr. Gleason and a second by Mr. Mitchell:

- | | | |
|----|------------------------|--|
| 1. | Kathryn O. Campbell | Lake County |
| | Age 58 | Creditable service - 11 yrs. Av. Sal. \$3,406.66 |
| | Benefit <u>\$70.97</u> | |
| 2. | Consuelo M. Litvinenko | Ystone County |
| | Age 59 | Creditable ser. - 17 yrs. Av. Sal. \$6,980.00 |
| | Benefit \$145.42 | |
| 3. | Alice Zimmer | Flathead County |
| | Age 59 | Creditable service - 41 yrs. |
| | Benefit \$168.14 | Average salary \$3,827.67 |
| 4. | Rayburn E. Thompson | Judith Basin County |
| | Age 52 | Creditable service - 14 yrs. |
| | Benefit \$145.83 | Average salary \$7,000.00 |

The next Board meeting was set for Saturday morning at ten o'clock, Dec. 11, 1965, and the meeting was adjourned at 12:00 noon on a motion by Mr. Mitchell and a second by Mr. Hayes.


 Jess W. Whitney, Chairman of Board


 J. Hugh McKinny, Executive Secretary

Investment Report
September 18, 1965

Yields in the bond market have been slowly but surely increasing for the past two years. In the summer of 1963, high-grade corporate bonds sold to yield about $4 \frac{3}{8}$; last year they sold to yield $4 \frac{1}{2}$ and this year it has reached $4 \frac{5}{8}$. In the past two weeks A issues have sold to yield 4.85, AA's 4.75 and AAA's 4.68. A great many people still forecast a drop in these yields but the bond sale calendar is still very heavy and I am sure these rates should continue at least to the 1st of the year. This heavy corporate financing accounts for the buyers market at this time. The long-term outlook for higher interest rates doesn't look as attractive for the international finance situation continues to improve. The British pound seems to be stronger every day; the balance of payments deficit doesn't get any worse and everyone seems to feel that some type of agreement will be reached in the international monetary meeting on a freer flow of reserves between nations.

It has been a historical fact that a rise in the yield of bonds, as we are now having, foretells a drop in the stock market and then a drop in business activity. Whether this will hold true now is debatable but it is worth noting.

The mortgage market in Montana has been holding steady but with the rising yields in the bond market, I am sure we will be able to get larger discounts this coming year than last. So, our investment picture for the next few months looks pretty good.

We ran some averages on our mortgage portfolio at the end of June. We had 1,452 units from 19 agencies. The average loan was \$10,710. Our average investment last year was \$14.8 million and our payoffs ran \$1.4 million so our average life of each loan would be 10 years.

During the summer we purchased the following mortgage offerings:

Security Bank, Billings	\$ 98,500 @ 99
1st Nat'l Bank, Helena	114,800 @ 98
Union Bnk & Trust Co., Helena	125,700 @ 98
Miles City Bank	48,300 @ 99
Bank of Baker	46,900 @ 99
Guaranty Co. of Billings	74,900 @ 98

The offerings totaled about \$500,000 and exceeded our run-off for June, July and August by about \$75,000.

Executive Secretary's Report
September 18, 1965

For the record, we moved from the Mitchell Building to our location here in The Lundy Center on June 19, 1965. The move was done by Lloyds Transfer for \$390--the lowest of four bidders. After receiving notification to move, we completed the move as soon as possible as it would have been more difficult, workwise, to have moved either in July or August. The cost of our space is \$2.85 a square foot for 1,684 square feet including janitorial service. We could have gotten cheaper space that would have been more difficult to reach and by waiting longer, we could have gotten better space at \$4.25 a square foot. I have an idea that space will be available next year.

On June 25, we were notified that we would come under the Controller's office as of July 1, 1965. This means that the Controller's office now writes our expense checks and approves all of our expenditures with anything costing more than \$50 being placed on bids. They did work out an arrangement where we paid for a lot of supplies we had ordered for July 1 delivery. Being under the Controller's office is going to cost us a lot of time and money and by the next meeting, Tom will have a pretty good idea of the additional cost. The Controller's office is now running our retirement checks. When the Fish & Game Department ran them, it cost us \$25 a month. The original estimate by the new Data Processing Center was \$37 and the first bill received was \$46 so it may be we are going to be charged for the writing of our expense checks. There is a lot more work and a lot more people involved from the time I approve payment of a bill now than there used to be, but the net result is the same--the bill is still paid.

During mid-July we ran averages on our new retirants. At that time we had 87. Our new average retirant is still a female about 64½ with an average salary of \$5,540 with 27 years creditable service (8 years prior service) and an average benefit check of \$144.44. Twenty per cent of her benefit comes from her own savings account with interest. On our August payroll, 15 per cent of the benefits were from teachers' savings.

We also ran some averages and means on our retirement payroll of June 30. On the year-end payroll, those teachers with 35 years of service and over had an average benefit of \$185.41 and:--

30 - 34 yrs.	\$ 140.37
25 - 29 yrs.	108.34
20 - 24 yrs.	85.59
15 - 19 yrs.	64.09
10 - 14 yrs.	49.27

Salary-wise, an average salary of \$2,000 had an average benefit of \$87.45 and:--

to \$3,000	- \$81.20
to 4,000	- 97.16
to 5,000	- 134.56
to 6,000	- 173.69
to 7,000	- 208.53

We had 524 retired teachers with more than 30 years of service as compared to 540 with less than 30 on our straight-life retirements. The salary brackets were:

512 at \$ 4,000 - \$5,000
243 at 6,000 - and over
309 at less than \$4,000

The average benefit check rose from \$120.25 in June to \$121.88 in August and the August payroll exceeded the June payroll by \$15,180. At this meeting and the June meeting we will have added 139 teachers to our retirement rolls--by far the biggest increase of any one year.

In mid-July we hired a new employee, Mrs. Margaret Ramborg. She will work on teacher records and posting. Her starting salary is \$285 a month.

Retirement Board Meeting
January 8, 1966

The meeting was called to order at 9:45 a.m. by the Chairman, Mr. Whitney. In attendance were members Mr. Gleason, Mr. Hayes and Mr. Mitchell and the Secretary, Mr. McKinny. The Secretary thanked the members for postponing the December meeting because of the death of his father and reported Miss Miller unable to attend because of a meeting in Missoula and that Mr. Young was traveling in the Far East.

The minutes of the September meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Mr. Hayes. The Secretary presented his report along with the monthly Financial Statement, the Investment Report and the Annual Statement. They were ordered placed on file on a motion by Mr. Hayes and second by Mr. Mitchell.

At this point, Dean Sullivan of the University Law School arrived to make his request for survivorship benefits for the widow of Edward Simonich of Montana College of Mineral Sciences and Technology. Mr. Simonich had taught eight years at Montana Tech before his death. The Secretary had not allowed the request for his two years of service as Athletic Director at Carroll College under the Navy VI2 Program as military service for prior service credit because Mr. Simonich had been a civilian employee of the College. Dean Sullivan agreed that it was not military service and that the Board did not have to recognize it as such but it did have the power to do so if it wanted to as Mr. Simonich's teaching service had been so closely related to military service. He pointed out that in many VI2 Programs athletic directors were commissioned officers and also the local draft board consistently deferred Mr. Simonich's induction because his efforts were vital to the War effort. He pointed out two legal cases in which the Court had ruled service in a War effort equal to service in the military and registering for the draft also equal to military service:--(1) If a parole violation case, employment in the War effort was as good as entering the military service and (2) in an espionage case, getting a person who was registered for the draft to refuse induction was the same as getting a person already inducted to desert. With this background, Dean Sullivan felt that the Board, with its powers of a corporation and powers to set rules and regulations, could grant credit for the two years teaching service involved. Mr. Sullivan then left the meeting.

The Board next considered another request by Rosalea Fox for her July retirement check. She had written the Attorney General's office stating that she had not mailed the application in in time but also stating that she had mailed the form listing the options. On this statement, the Attorney General advised the Board to pay the one check of \$157 for, in a court case, it would be her word against ours and we would probably lose and have to pay court costs as well. Mr. Hayes then moved the Secretary be instructed to pay Mrs. Fox her July check. Mr. Mitchell seconded the motion which prevailed. Mr. Gleason voted "no", however, as he felt that right was right.

even though we would lose the case.

The Board next considered Mrs. Simonich's request for prior service credit for her husband's service as physical education instructor under a VI2 Program. After a thorough discussion involving the setting of precedence for other similar service and civilian war effort service; a discussion of Board powers to expand the meaning of the words "military service" in the law beyond what the Board felt was not only legislative intent but intent of those teachers who supported the proposed legislation; and a discussion of the trusteeship of teacher funds, Mr. Gleason moved that Mrs. Simonich's request be denied as the Board did not have the power to expand the meaning as the meaning was narrowed by the definite spelling out of the additional service for Merchant Marine and Red Cross service. Mr. Mitchell seconded the motion which was approved.

The Board next considered the request of the 1st State Bank of Whitefish for a Servicing Agreement for the sale of mortgage paper. Mr. Mitchell moved the Secretary secure the proper signatures and Mr. Hayes seconded the motion which was adopted.

The Secretary then reviewed the list of accounts of members who hadn't taught for at least seven years and requested permission to transfer them to PAF with the provision that any request for a refund would be allowed and any member returning to teaching would be transferred back to ASF with interest brought up-to-date. Mr. Gleason moved that the accounts be transferred. Mr. Hayes seconded and the motion carried.

PAF Accounts, Dormant

Adams, Hazel	\$ 300.49	Clark, Mildred E.	\$ 130.78
Allen, Perry C.	4.66	Colvill, Frances	988.20
Anderson, Johanna M.	431.95	Conn, Helen	133.01
Anderson, Renee A.	284.34	Costigan, Therese E.	580.70
Anderson, Virginia K.	120.91	Crisafulli, Vera Frances	334.50
Badger, Pearl E.	61.46	Crossman, Maureen E.	161.22
Balasa, Anne D.	123.44	Davison, Marjorie	18.00
Barnell, Katherine E.	325.24	Davisson, Neva Ruth	403.07
Bell, Catherine A.	87.73	Dell, Joyce Ann Peterson	344.34
Berg, Elizabeth N.	95.92	Derr, Grace West	236.15
Bergstrom, Robert C.	264.15	Dickson, Jean Marie	192.37
Black, Ada Braese Wilson	1,045.05	Disney, Richard L., Jr.	271.58
Boyum, Bernice Martha	15.08	Dolyniuk, Anna Vernetta	141.32
Brede, Ruth Irene	186.59	Dutton, Daisy B.	125.99
Breen, Wynona Fern	166.80	Ellsworth, Winnette M.	62.56
Brooks, Mary Emma	572.57	Engelhardt, Janice Lee	174.09
Brown, Ruth W.	146.54	Evju, Marianne D.	103.53
Brush, George S.	434.47	Fagan, Dick V.	1,282.11
Burkett, A. Winifred	232.53	Felton, Frances Esther	517.99
Burt, Mrs. Brian	13.96	Funk, Jean	175.56
Callaway, Helen L.	13.12	Garlington, J. C.	632.84
Carlson, Lois June	11.37	Gibb, Sidney	33.57
Castleberry, Frankie Louise	161.97	Glaney, Anna	78.90
Cheatham, William E.	268.26	Gonzoloes, Agnes	427.23

Goudzward, Donald M.	\$ 57.61	Peck, Glemen M.	594.11
Grahl, John	44.87	Peters, June	68.50
Grow, Florence Ruth	174.69	Ree, Rimhak	44.46
Gunnels, Laura Ann	158.78	Ritzman, June W.	7.12
Hagerty, Gladys M.	93.37	Roath, Harley Willard	594.03
Hanser, Mrs. Harold	159.45	Robbins, Jean C.	399.51
Hanson, Alpha	1,289.19	Rock, Oliver F.	80.28
Hoggatt, Jane E. Brenton	863.05	Rott, Elizabeth B.	14.00
Houglun, Leon	11.40	Sagara, Eunice C.	23.50
Howe, Lois Ruth J.	873.74	Shaffer, Beverly A.	189.70
Jenson, Florence K.	332.78	Shy, Margaret G. M.	530.40
Johnson, Norma Jean	195.13	Silvis, Dorothy Snow	223.32
Johnston, James S.	60.92	Singleton, Mary Margaret	186.17
Jones, Shirley L.	177.20	Slattery, Austin G.	1,109.25
Joyce, Chester A.	25.07	Smith, Regina Mabel	101.74
Kantorowicz, Mars Laura Barton	231.15	Smith, Mildred Robinson	67.84
Kelly, Catherine	40.34	Stapelton, Willard	735.01
Kinzie, Iome Rieman	51.56	Stollenberg, Patsy	403.55
Kober, Janice Louise	147.03	Sullivan, Inez	101.13
Kristiansen, Helen Ruth	1,003.46	Summerside, Neyva E.	63.26
Larson, Aquina Wanda	447.34	Switzer, Don	419.23
Larson, B. Louise	144.59	Sylt, Rosalie M.	72.41
Lauesen, Edna Keating	66.61	Syverson, Alice E.	380.50
Lee, Echolyn	25.49	Thomas, Catherine J.	1.71
Leveque, Evangeline Mary	113.28	Thomas, Eva C.	181.91
Littlefield, Sarah W.	533.32	Thompson, Nancy Lea	144.56
Love, Jeraldine M.	292.01	Torgerson, Mrs. G. N. (Fern)	14.22
McLaury, Helen Carle	445.35	Turco, Sylvia	509.13
Maberry, June E.	194.14	Turner, Frances	495.16
MacDonald, Mary Margaret	581.86	Valentine, Dorothy	111.49
Malcolm, Helen Marie	30.00	Vallejo, Margaret Mary	183.16
Mannix, Darlene A.	386.94	Vance, Coreen	154.53
Mielke, Isabelle M.	41.83	Vanderhoff, Effie	51.54
Muller, Louise Caroline	327.89	Walters, Barbara Jo	17.83
Murphy, E. Smith, Jr.	15.16	White, Bessie	177.96
Nelson, Cecil	221.94	Wilkie, Mrs. R. W.	1.25
Olson, Lois Sylvia	227.22	Wilson, Ellen J.	72.77
Osher, Unda Peterson	88.92	Woolsey, Gertrude J.	1,404.61
Otto, Rilla Gertrude	146.54	Zehm, Waneta Rachel	109.84
Parcell, Ora Lee	37.36	Zwonitzer, Virginia	188.54
Parker, Genevieve D.	423.22		\$35,204.81
Neumann, Mabel Cecilia	1,275.57		

Next, the Board set the interest rate for 1965-66. On the advice of the Actuary, the interest was set at 4 per cent (4%) on a motion by Mr. Hayes and a second by Mr. Mitchell.

The Board next considered the Secretary's request for advice as to membership of teachers in the many Federal programs now underway. The request was tabled pending more information on the programs, which the Secretary

was asked to compile.

The following applications for disability were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

1. Donelda Robinson
(age 53) Yellowstone County
Average salary \$4,270.00
PS - 6 yrs.
MS - 9 yrs
Benefit \$88.96
2. Frances Gaudet
(age 50) Yellowstone County
Average salary \$6,215.00
MS - 11 yrs.
Benefit \$129.48
3. Frances Hewitt
(age 46) Park County
Average salary \$4,208.33
MS - 10 $\frac{1}{3}$ yrs.
Benefit \$87.67

The following applications for survivorship benefits were approved on a motion by Mr. Hayes and a second by Mr. Mitchell:

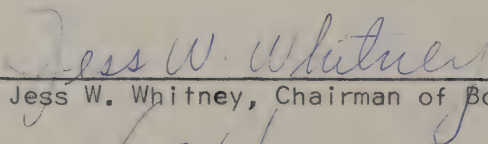
1. Esther K. Sterrett
(age 61) Survivor of Richard H. Sterrett (age 64)
Yellowstone Co.
Average salary \$5,222.04
ASF 1,860.69
MS - 14 yrs.
Benefit \$36.37
2. Edna M. Conkey
(age 42) Survivor of George K. Conkey (age 44)
Montana State University
Average salary \$7,000.00
ASF 3,403.84
MS 10 $\frac{1}{2}$ yrs.
Benefit \$22.14
3. John Miehle
(age 51) Survivor of Josephine Glead (age 53)
Lewis & Clark Co.
Average salary \$6,690.00
ASF 4,790.89
PS 3 yrs: MS 17 yrs.
Benefit \$69.60
4. Doreen Curtis
(age 43) Survivor of David Curtis (age 43)
Missoula Co.
Average salary \$7,000.00
ASF 3,470.84
PS - 3 $\frac{1}{3}$ yrs: MS - 10 $\frac{1}{2}$ yrs.
Benefit \$28.10 + \$150.00. Total \$178.10

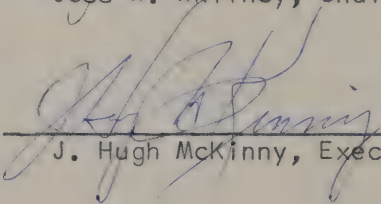
The following applications for retirement benefits were approved following a motion by Mr. Mitchell and a second by Mr. Hayes:

	<u>County</u>	<u>Age</u>	<u>PS</u>	<u>MS</u>	<u>Average Sal. Benefit</u>		<u>Opt.</u>
1. Apman, Selma	Gallatin	69	17	28	\$7,000.00	\$267.11	2
	Tax-deferred annuity					11.30	
2. Davis, Edward S.	Missoula	62	9	28	7,000.00	173.49	3
3. Dufresne, Goldie C.	Missoula	60	6	6 $\frac{1}{4}$	6,364.00	77.47	1
4. Duncan, Merle M.	Flathead	60	9 $\frac{3}{4}$	19 $\frac{1}{2}$	6,355.00	169.05	1
5. Johnson, Birger L.	MSU	70	19	23	7,000.00	213.73	3
6. Mashino, Margaret S.	Bvrhead	61	8	20	5,466.67	143.45	1
7. Merry, Irene	McCone	60	4	24 $\frac{1}{2}$	4,866.67	119.93	1
8. Norberg, Evelyn	Blaine VR	63	8 $\frac{1}{3}$	21 $\frac{1}{2}$	3,700.00	105.51	1
9. Reynolds, Marjorie	Ystone VR	60	11	24	6,666.67	220.85	1
10. Rohrdanz, Hildegard	Gallatin VR	60	9	14 $\frac{1}{2}$	3,750.00	90.58	1
11. Whittet, Florence R.	Park	61		15	3,328.33	43.20	1
12. Glodowski, Katheryne	Richland VR	60	3	15	5,983.33	96.05	1
13. Renne, Roland R.	MSU, VR	60	9	23 $\frac{1}{4}$	7,000.00	204.96	2
14. Anderson, Margaret	U of M, VR	60	7	7	5,366.67	76.52	5
15. Ogren, C. M.	Lewis & Clk	65	11	24	7,000.00	174.42	5
16. Kenck, Ralph	MSU	66	14	28	7,000.00	279.59	1
	Tax-deferred annuity					40.51	1
17. Cunningham, Zora	Gldn Valley	60	3	14	4,151.66	64.75	1
18. Seeley, Uva	Mineral	65	16	14 $\frac{1}{2}$	5,308.33	160.54	2

The next meeting of the Board was set for March 12 at 10:00 a.m. on a motion by Mr. Hayes and a second by Mr. Mitchell.

The meeting adjourned at 1:00 p.m. on proper motion and second.


 Jess W. Whitney, Chairman of Board


 J. Hugh McKinny, Executive Secretary

Executive Secretary's Report
January 8, 1966

Our National Council on Teacher Retirement Convention in Las Vegas was a big success. We had 375 advance registrations. I don't know the final attendance figure but it must have been well over 400. When I first started attending these conventions I had to give a credential report which listed 70 people in attendance--the largest meeting they had ever held.

I was Chairman of the Investment Section and with Sidney Homer as my featured speaker, the program met with great success. The Proceedings have not as yet arrived but I will send each of you a copy when I receive them.

I attended a meeting of the Advisory Board for the Investment Seminar in Denver the middle of November. The program is set for a complete overhauling with the school moving from Berkeley to Stanford. We feel this year's program will be much better than last as it will remove the friction which developed in the faculty in preceding years.

The local Social Security office has asked that we enclose a flyer on medicare with our January checks. They seem to feel that many of our older retired teachers have never been covered by social security and would not receive the information from any other source. I agree with this thinking and it would not take much time to do the extra work.

The work in the office since the last meeting has moved very well. With our extra help we have been right up-to-date and had time to do some extra tasks we hadn't been able to do previously.

We now have some figures on the cost of our move from the Mitchell Building to the Lundy Center. The cost was approximately \$3,425 and this includes \$2,215 additional rent. The cost of having our operations come under the Controller's office will be approximately \$1,775 a year.

Our November count on active teachers is probably as accurate as any we will have the entire year. It shows that we now have 10,082 teachers in Montana.

I met with the MEA Retirement Committee on which I serve as a consultant. They were discussing possible legislation and they will be backing the removal of salary ceiling and the limiting of out-of-state service to five years and a vested right after 5 years also. The question they didn't answer was whether they wanted death and disability benefits after 5 years also.

With the exception of the MEA Conventions, we haven't traveled very much the past quarter. Tom spoke in Havre December 7 and I spoke in Troy and Terry.

Investment Report
January 8, 1966

All indications point to 1966 being a year of a large demand for money. The GNP is forecast at \$710 billion, --up from \$671 billion in 1965. The Federal budget will be in the neighborhood of \$110-\$115 billion. There is little doubt that Federal spending and financing will be higher than last year. Corporate financing will be just as high this year as last. Housing starts are forecast at a 2 per cent increase with the trend toward still more expensive homes. On the supply side, it appears that the flow of savings will not meet this demand and it will have to be supplemented by an increase in bank credit. The Federal Reserve Bank, however, is reluctant to supply bank reserves because of the threat of inflation. As you know, they already raised the discount rate in December and they will probably raise it again in the next few months. Of course this outlook for this large demand for money with its corresponding high rate of interest is based upon present factors and if the War in Vietnam should be settled, the outlook would most certainly change. But, as of now, interest rates should continue to rise, though not as spectacularly as in the last quarter of 1965.

At the present time, AAA Bonds are yielding 4.82; AA's - 4.90 and A's - 5.0. Mortgages are being discounted at 3 per cent to give a yield of about 5.25. Long-term Treasury Bonds yield just under 4.5 with short-term Bonds and Bills for 4.80 - 4.90. All in all, the outlook for the long-term investor continues to look very good.

Since the last meeting we have invested in the following mortgage offerings:

1st Nat'l Bank of Bozeman	\$ 184,000.00	@ 99
Great Falls National Bank	217,000.00	@ 99 & 98½
Bank of Baker	53,000.00	@ 98
Streeter Brothers	66,000.00	@ 97½
1st National Bank of Helena	44,000.00	@ 98½
1st Security Bank of Miles City	20,000.00	@ 99
Guaranty Company of Billings	101,000.00	@ 98
Union Bank & Trust Co., Helena	285,000.00	@ 96

The run-off on mortgages the last four months was in excess of \$400,000.

We also purchased the following bonds:

\$200,000	Fed'l Nat'l Mrtge Assoc.	AAA	1978	@ 4.70	1st Boston Corp.
100,000	Wisconsin Natural Gas Co.	A	1990	@ 4.85	Halsey, Stuart & Co.
135,000	St. Lewis & SF Equip Trusts	AA	1976-80	@ 4.75	F. I. duPont & R. W. Pressprich
50,000	Florida Power Corp.	AA	1995	@ 4.80	Piper, Jaffray & Hopwood
50,000	Indiana Bell Tel	AAA	2005	@ 4.67	J. Barth & Co.
50,000	Public Ser of New Jersey	AA	1995	@ 4.70	Eastman Dillon Co.
115,000	Southern Bell Tel	AAA	2000	@ 4.67	Kalman & Co.

MINUTES
Retirement Board Meeting
March 12, 1966

The meeting was called to order by the Chairman, Mr. Whitney at 10:00 a.m.. In attendance were members Mr. Gleason and Mr. Hayes. Also attending were the Actuary, Mr. Young and the Secretary, Mr. McKinny. The Secretary informed the Board that Miss Miller and Mr. Mitchell were unable to attend because of other business that needed their attention.

The minutes of the January Board meeting, having been in the hands of the members prior to the meeting, were amended on a motion by Mr. Gleason and a second by Mr. Hayes and adopted, as amended, also on a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary then presented his reports and they were ordered placed on file on a motion by Mr. Gleason and a second by Mr. Hayes.

The Actuary's Quinquennial Report was then reviewed by the Board and it also was ordered placed on file on a motion by Mr. Hayes and a second by Mr. Gleason.

The payrolls for the second quarter, in the following approximate amounts, were approved on a motion by Mr. Hayes and a second by Mr. Gleason:

Retirement	approximately	\$ 195,400.00	per month
Office	approximately	3,395.00	per month

The Board next reviewed the possible membership of teachers working in the local districts in programs financed by Federal money. Each of the different types of programs was reviewed and after considerable discussion, Mr. Hayes moved that beginning July 1, 1966, all teachers receiving remuneration of Federal moneys that first comes into the school district and are paid by the school board to the teacher must be members of The Teachers' Retirement System. Mr. Gleason seconded the motion which was approved.

The application for membership in The Teachers Retirement System by the Yellowstone Park School was next considered by the Board. The Secretary reviewed the method of financing of the school which was further supported by Mr. Gleason. Mr. Hayes moved that membership of the school in the Teachers Retirement System could not be permitted as in no way could the school be considered a Montana public school. Mr. Gleason seconded the motion which was approved.

The Board then considered the Secretary's request for permission to attend the Executive Committee meeting of the National Council on Teacher Retirement in Philadelphia May 6 and 7. Mr. Hayes moved that permission be granted. Mr. Gleason seconded the motion which was approved.

The Secretary then requested permission to attend the Investment School

at Stanford University this summer if he felt that the program and the curriculum warranted it. Mr. Gleason moved that permission to attend be granted. Mr. Hayes seconded the motion which was approved.

The Secretary was then instructed to secure the proper signatures for Servicing Agreements with the Sidney National Bank and the Commerce Bank of Helena on a motion by Mr. Gleason and a second by Mr. Hayes.


The following applications for survivor's benefits were approved on a motion by Mr. Hayes and a second by Mr. Gleason:

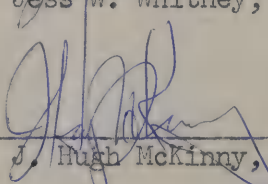
- | | |
|-------------------------|--|
| 1. George E. Erickson | Survivor of Marie G. Erickson, Lincoln Co. |
| Age - 63 | Age 55; PS - 7 yrs.; MS 14½ yrs. |
| <u>Benefit \$86.56</u> | Average salary \$5,298.33 |
| | ASF 2,604.03 |
| 2. Harold A. McGrath | Survivor of Kathleen Donohue, Silver Bow |
| Age - 56 | Age 59; PS - 7 2/3 yrs.; MS 23 yrs. |
| <u>Benefit \$161.51</u> | Average salary \$ 7,000.00 |
| | ASF 6,295.44 |

The following applications for retirement benefits were approved on a motion by Mr. Hayes and a second by Mr. Gleason:

	County	age	PS	MS	Av. Sal.	Benefit	Opt.
1. Reess, Margaret	Lewis & Clk	60	15	26½	\$ 6,891.67	\$ 258.28	1
2. Robertson, Hazel	Ystone	64	8 2/3	19½	6,961.67	186.67	1
3. Robertson, Russel	Ystone	66	13	25 ½	6,961.67	248.05	1
4. Almeida, Oakel	Bvrhead	67	8½	13½	4,050.00	89.59	1
5. Overturf, Mildred	Ravalli	60	3	9	4,200.00	48.36	1
6. Roehm, Gladys	St. College	64		16	7,000.00	100.38	1
7. Wheatley, Bonnie	Lincoln VR	60		12 2/3	4,591.67	51.57	1
8. Cochrane, Dorothy	Madison VR	62	12	5	Minimum ben.	48.57	1
9. Black, William	Philips	65	10	19½	5,358.33	145.49	1
10. Haney, George	Silver Bow VR	60	6	24	6,000.00	164.47	2
11. Lund, Eva	Cascade	60	10	28	7,000.00	241.28	1
12. Larson, Esther	Sheridan VR	63	5	9	Minimum ben.	40.00	1

The next Board meeting was set for Saturday morning at 10:00 a.m., May 28 and the meeting adjourned at 1:00 p.m. on proper motion and second.


 Jess W. Whitney, Chairman of Board


 J. Hugh McKinny, Executive Secretary

Executive Secretary's Report
March 12, 1966

It seems that the two months that have lapsed since the last Board meeting have been the busiest I have ever had. During February, for instance, I was on the road at least three days of every week; first, to Anaconda for three days doing estimates, to the State University for three days doing estimates, a talk in Chinook and three days in the schools at Bozeman doing estimates and a talk in Roberts. I was supposed to talk in Harlowton also but the Superintendent failed to tell anyone so I was deserted in favor of a basketball tournament.

I also met with the Faculty Council of the University regarding proposed legislation. This group will support the removal of the salary ceiling before the Assembly meets instead of waiting until the last minute. They are also going to support an amendment, just as the MEA, to lower the service for a vested right to five years. They didn't discuss lowering service requirements for death benefits or disability to five years. I mentioned we would probably have to off-set the cost of 5-year vested rights by limiting out-of-state service to five years also. They seemed to agree with the idea but took no formal action.

Work the past two months has gone very well. Posting of ASF and mortgages has been right up-to-date. All the interest has been calculated and is ready for posting the end of the year. We have also sent out our second request for membership records from teachers who have failed to answer and have also written to the school clerks who are delinquent with their payments. We also inadvertently got into a big project that is taking a lot of time. We are doing estimates for the Missoula System by mail. When Tom set it up, he thought it was for Cold Springs School only. It is easier to go directly to the school to do estimates as each of these estimates requires a letter and just about everyone has asked for an estimate---even those with one-half year service retiring in 2005.

At the present time we are trying to work out a schedule with the Billings System to go into their schools to do estimates. Both Tom and I will be on the road next week; I go to Superior and Tom to Nashua.

Investment Report

March 12, 1966

Interest rates have continued upwards. This rise has been taking place gradually since 1959 with very few drops along the way. This past month we have seen the rates rise sharply. The 1st of February, an A-rated first mortgage bond with no call protection sold to yield 5.15 and a similar issue sold the 1st of March to yield 5.60--an increase in interest cost of almost one-half of one per cent in 30 days. Mortgages that were $5\frac{1}{4}$ with 3 per cent discount are now $5\frac{1}{2}$ with 3 per cent discount. This gives a 10-year average yield of 5.50 to us and I expect the discount rate will go higher. This coming week the FNMA Participation Certificates will be sold and the middle-year maturities will yield very close to 5.50, possibly higher, and the 15-year maturities about 5.20.

The reason for the higher rates, of course, is the large demand for capital for business expansion. Financing has been extremely heavy, especially here, in March. A year or so ago, companies had cash reserves that made many experts believe interest rates would be fairly stable because financing would be paid with this reserve. This, of course, proved to be wrong; either expansion was greater than anticipated or companies are borrowing long term and still investing their cash short term at a higher rate than they have to pay for long money. It is expected that rates will continue to rise in March but may fall off some in April because of less financing.

Since the last meeting we have purchased the following corporate bonds:

\$100,000	Duquesne Light Co.	5 1/8's of '96	AAA	yld-5.03	Halsey Stuart Co.
150,000	Ohio Bell Tel	5's of 2006	AAA	yld-4.94	Salomon Bros., Weeden & Co., J. Barth & Co.
50,000	Pub Ser Gas & Elec	4 3/8's of '86	AA	yld-4.90	First Boston Corporati
100,000	N. Y. Tel Co.	4 7/8's of 2006	AAA	yld-4.83	Kalman & Co.

Also, we have purchased the following mortgage offerings:

\$ 82,000	Guaranty Co., Billings	@ 97
112,000	Bank of Baker	@ 98
61,000	1st Security Bnk, Miles City	@ 97
50,000	Streeter Bros., Billings	@ 97½
107,000	Security Bank, Billings	@ 98

Future commitments on mortgage paper will require a $5\frac{1}{2}$ per cent discount on $5\frac{1}{4}$ FHA's and 3 per cent on $5\frac{1}{2}$'s.

Actuary's Quinquennial Report
March 12, 1966

The 1965 actuarial investigation of The Teachers Retirement System revealed what can be considered as two major shifts in trends from those which prevailed over the last two quinquennial examinations. The reason for the two shifts, we can logically think, is that increased salaries are now being paid to members of the teaching profession. The increased salaries have attracted more male teachers, as witnessed by the fact that the percentage of male teachers is now roughly 40% of the teaching profession in Montana as compared with 25% in 1950. It is also interesting to note that, for all ages, 27 through 42--that is, presumably, the more experienced teachers--the number of male teachers in the State is substantially greater than that of female teachers. The higher salaries also have increased the number of teachers with reasonably high amounts of creditable service toward their retirement.

These two facts show the reason why the amounts to create a full actuarial reserve for the State's portion of the retirement allowance that will be available at retirement has not decreased substantially even though the amount of prior service (that is, the service for which the State is responsible for both sides of the retirement) has not gone down materially and, of course, after 1972 will be non-existent.

The additional reserve required for active teachers for service prior to retirement is \$17,797,548.50. This figure was calculated on a new multiple-decrement mortality table and 4% interest. The decrements are deaths, withdrawals and disabilities. Deaths among teachers, both male and female, are substantially below those to be expected by the life insurance industry on life policies issued. As previously inferred, the withdrawal rate from the teaching profession has been cut practically in half at all durations for all ages of entry into the profession; and it seems as though disability for those actively teaching is practically non-existent. These facts, coupled with the high average salary, mean that the State must have substantially increased reserves to put the System on an actuarially-sound basis. Among the retired teachers, it is almost literally true that a pensioner (a person on an adequate retirement allowance) never dies. For this reason, the State should have additional reserves of \$15,028,483.13 for the retired teachers. Thus, the total amount of \$33,016,509.21 is necessary on a 4% interest basis to provide 100% retirement benefits if the System were to be forced to maintain itself without any additional State contributions in the future.

In the Non-Ledger Assets, the present value of future State payments is the balancing item, totaling \$32,824,805.97. On the basis of the present State contributions, we can honestly state that we are a little beyond a pay-as-you-go system and are now accumulating reserves that eventually should create a fully-reserved system. At the present rate of employer contributions, it is doubtful if a fully-funded reserve

system will prevail until about the end of this century. It is to be hoped, therefore, that the Legislature can be influenced to grant us a little higher rate of employer contributions to the end that the intent of the original law will prevail.

Statement of Assets and Liabilities
The Teachers Retirement System
June 30, 1965

ASSETS:

Ledger Assets

Cash with the State Treasurer	\$	478.52
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Investments:

Real Estate Mortgages - FHA & VA	\$15,551,655.57	
U.S. Gov't Bonds & Debentures	6,799,550.00	
Public Utility Bonds	10,217,708.73	
Railway Trust Certificates	734,242.08	
Premiums	<u>69,125.08</u>	
	\$	<u>33,372,281.46</u>
Total Ledger Assets		33,372,759.98

Non-Ledger Assets

Accrued Interest	\$ 191,703.24	
Present value of future state payments	<u>32,824,805.97</u>	
Total Non-Ledger Assets	\$	<u>33,016,509.21</u>
TOTAL ASSETS		\$66,389,269.19

LIABILITIES

Ledger Liabilities

Annuity Savings Fund	\$ 20,957,881.82	
Pension Accumulation Fund	8,888,266.73	
Annuity Reserve Fund	3,203,170.95	
Pension Reserve Fund	311,020.84	
Expense Fund	<u>12,419.64</u>	
	\$	33,372,759.98

Non-Ledger Liabilities

Added Pension Reserve - Required	\$17,797,548.50	
Added Disability Res. - Required	17,796.96	
Added Reserve for Retired Persons --		
Required	15,028,483.13	
Added Annuity Reserve - Required	<u>172,680.62</u>	
Total Non-Ledger Liabilities	\$	<u>33,016,509.21</u>
TOTAL LIABILITIES		\$66,389,269.19

Minutes
Retirement Board Meeting
May 28, 1966

The meeting was called to order by the Chairman, Mr. Whitney, at 10:00 a.m., May 28. In attendance were members Miss Miller, Mr. Gleason, Mr. Hayes and Mr. Mitchell. Also present were the Actuary, Mr. Young and the Secretary, Mr. McKinny.

Guests at the meeting were Mr. Barkley Craighead, Chairman of the Montana Committee on the Problems of the Aging, and Mr. Lyle Downing, Secretary for the Committee. Mr. Craighead gave the Board a history of the Committee and outlined some of the goals ahead for the organization. The Committee was formed by the Legislature without appropriation and now matching Federal funds were available for the work but they needed money now to make use of these funds. Mr. Craighead felt that if we had funds available, they could run studies and surveys of our retired teachers which would be very beneficial to the Retirement System. After Mr. Craighead and Mr. Downing left, the Board reviewed with the Secretary the availability of excess operating funds and the Secretary reported there were no funds available for 1965-66 and in all probability there would have to be a suggested appropriation for moneys to operate during 1966-67. Since there were no funds available, the Board instructed the Secretary to inform the Committee that they were very sympathetic to their program but money was just not available.

The Board then turned to the Agenda and the Secretary presented his reports which were ordered placed on file on a motion by Miss Miller and a second by Mr. Mitchell.

The third quarter payrolls in the following approximate amounts were approved on a motion by Miss Miller and a second by Mr. Hayes:

Retirement	approximately	\$ 195,500.00
Office	"	3,395.00

Turning to the new business at hand, the Board reviewed the legislative program for the 1967 legislative session and Miss Miller moved that the Secretary and the Actuary be instructed to draw up legislation with the help of the Attorney General's office to:

1. Remove the salary ceiling.
2. Provide vested rights after 5 years of service.
3. Limit the number of years of out-state service to 5 years.
4. Develop a new survivor's benefit formula.
5. Replace section of the law omitted by the Legislative Council's amendments of 1965.
6. Amend the investment law to provide for investment in industrial bonds rated A or better by one of the two major rating services.
7. Investigate the possibility of an extra check to the retired members to compensate for increased interest earnings.

Mr. Hayes seconded the motion which was unanimously approved. Miss Miller moved that the investment law also be amended to include permission to invest in Canadian Government Bonds including Federal Provincial and Municipal Bonds rated A or better by one of the two major rating services. Mr.

Hayes seconded the motion. All members voted "yes" with the exception of Mr. Gleason who felt the System should not invest in foreign bonds.

The following salary adjustments suggested by the Secretary were unanimously approved on a motion by Miss Miller and a second by Mr. Hayes:

1. Thomas E. Schneider	650.00	to	\$691.67
2. Naomi Didriksen	400.00	to	415.00
3. Elsie Wilcox	400.00	to	415.00
4. Dorris Morris	425.00	to	440.00
5. Virgie Baird	360.00	to	380.00
6. Margaret Ramberg	285.00	to	310.00

The Secretary reviewed the budget for 1966-67 which corresponds to the appropriation by the legislature and it was approved on a motion by Mr. Hayes and a second by Miss Miller. Since the Secretary was in the process of drawing up the budget for the 1967-69 biennium, Mr. Gleason moved that the Secretary provide funds to increase his salary to \$12,000 per annum. Miss Miller seconded the motion which was unanimously approved.

Salaries	\$ 42,120.00
Employee benefits	3,000.00
Supplies	2,750.00
Communications	2,800.00
Travel	3,300.00
Rent, dues, subscriptions	7,050.00
Special fees	4,400.00
Maintenance	1,280.00
Equipment	500.00
	<u>\$ 67,200.00</u>

Mr. Hayes then moved that the Secretary be instructed to request an Attorney General's opinion on whether or not the legislature had the right to limit the Secretary's salary when the retirement law provided that the Board shall set the compensation of all persons engaged by the System. Mr. Mitchell seconded the motion which was approved.

Next on the agenda was the renewal of the lease on our office space and Mr. Mitchell moved that the lease be renewed and amended to include 600 square feet of additional space at \$2 per square foot per annum. Mr. Gleason seconded the motion which was approved.

The Board next considered the request of the J. L. Cooper & Co. of Spokane for a Servicing Agreement for the sale of mortgage paper. Mr. Hayes moved that we accept the Agreement and that the Secretary secure the proper signatures. Mr. Mitchell seconded the motion which was approved.

The following applications for survivor's benefits were unanimously approved on a motion by Mr. Mitchell and a second by Miss Miller:

1. Ruth Sommerfeld	Survivor of Ed Sommerfeld - Gallatin
age 50	age 51
<u>Benefit \$65.74</u> 4 \$100	PS 4 1/6 yrs.: MS 21 yrs.
	ASF \$6,508.31
	Average salary \$7,000

2. Vernie Linn
age 59
Benefit \$144.61
Survivor of John Linn - Msla County
age 66
PS 10 yrs.: MS 28 $\frac{2}{3}$ yrs.
ASF \$7,358.32
Average salary \$6,994.67
3. Kathryn Vine
age 52
Benefit \$39.06
Survivor of W. A. Vine, School of Mines
age 55
PS 2 7/12 yrs.: MS 9 5/6 yrs.
ASF \$3,373.15
Average salary \$7,000.00
4. Esther Raisler
age 62
Benefit \$167.63
Survivor of Grace Crumley - Cascade
age 59
PS 11 yrs.: MS 25 yrs.
ASF \$5,374.27
Average salary \$6,036.33

The following applications for retirement benefits were unanimously approved on a motion by Mr. Mitchell and a second by Mr. Hayes:

	county	age	PS	MS	average sal.	benefit	opt.
1. Wunderlich, Herbert J.	U of M, VR	60	4 $\frac{1}{2}$	13	\$ 5,000.00	\$ 86.41	1
2. Zile, Joe A.	Glacier, VR	60	8	20	5,925.00	154.83	2
3. Larsen, Esther	Sheridan	62	5	9	minimum ben.	40.00	1
4. Cahill, Ruth B.	Dormant	62	8	7	5,013.33	78.02	1
5. Andersen, Lela	Carter	62	9 $\frac{2}{3}$	18	3,800.00	98.53	1
6. Goff, Blanche C.	Granite	63	2	9 2/9	4,558.33	47.00	1
7. Ohlrich, Jenny	Carter	69	12	19	3,608.33	111.98	1
8. Stucky, Marie H.	Gallatin	64	8 2/9	8	3,260.33	56.13	1
9. Willes, Erma B.	Fallon, VR	60	1	14	minimum ben.	42.86	1
10. Falkenstern, Madge	Prairie, VR	60	10	12	" "	62.85	1
11. Lorentson, Olga B.	Ystone, VR	60	9 7/9	8 5/9	" "	52.38	1
12. Meisenbach, Elsie E.	Uncl.	60	6	24	3,943.33	104.47	2
13. Blackford, Ruth	Northern	62	8 $\frac{1}{2}$	8	7,000.00	119.44	1
14. Crawford, Mabel	Silver Bow	70	19	29	7,000.00	282.80	2
15. Clark, Sarah F.	Cascade	70	4	7 $\frac{1}{2}$	4,733.33	52.21	2
16. Dow, Frances	Silver Bos	70	3 2/9	27 6/9	5,910.99	159.57	2
17. Currie, Eva B.	Carbon	65	5	16	5,083.33	103.17	5
18. Elderkin, Esther E.	Silver Bow	65	14	29	7,000.00	271.52	1
19. Elpel, Mabel	Dawson	70		20	4,066.67	69.94	1
20. Farrelly, Josephine L.	Fergus	61	4	10 $\frac{1}{2}$	3,700.00	52.61	1
21. Fauver, Maebelle M.	Flathead	64	7	14	6,603.67	132.23	1
22. Fisher, Lulu C.	Stillwater	62	7 $\frac{1}{2}$	22	4,975.00	136.75	1
23. Gerrish, Laina	Msla	62	4	26	7,000.00	183.66	1
24. Garber, Charles E.	VR	69	6	15	4,234.33	86.85	1
25. Granner, Lester N.	Dawson	65	14	29	7,000.00	193.10	3
26. Helton, Maude C.	Roosevelt	68	20	29	6,200.00	274.12	1
27. Hensrud, Ellen	Roosevelt	64	8	27	7,000.00	222.06	1
28. Isaacs, Dorothy	Cascade	63	8	17 $\frac{1}{3}$	5,433.33	127.91	1
" "	Tax-deferred annuity					12.44	1
29. Isaacs, Urban F.	Cascade	69	17	29	7,000.00	295.86	1

30.	Koetitz, Emma	St. Dept.	65	9	24	6,388.33	197.24	1
31.	March, Geneva	Custer	63		26 $\frac{1}{2}$	5,725.00	121.22	1
32.	Merritt, Russell L.	Flathead	64	9	29	7,000.00	178.21	3
33.	Moore, Allona B.	Ystone	61	11	23	5,582.67	160.00	3
34.	O'Dea, Helen	Northern	66	16 $\frac{1}{2}$	29	7,000.00	276.00	2
	" "	Tax-deferred annuity					18.36	2
35.	Peck, Clara G.	Ystone	67	17	19 $\frac{1}{2}$	7,000.00	256.42	1
36.	Ogilvie, Ella	Lewis & Clk	64	10	24 $\frac{1}{2}$	6,790.00	221.01	1
37.	Phalen, Martha	Carter	70		22 $\frac{1}{2}$	4, $\frac{1}{2}$ 25.00	87.21	1
38.	Rowley, Wm. C.	Carter	63	16	29	7,000.00	274.31	5
39.	Seamans, L. Christine	Ystone	64	6	29	6,350.00	200.93	1
40.	Stone, Lucile H.	Lake	62	4	19	4,675.00	97.67	1
41.	Stark, Margaret	Cascade	70	6 7/9	29	7,000.00	223.86	2
42.	Vallance, May	Ravalli	64	11	17 $\frac{1}{2}$	6,416.33	177.22	1
43.	Wahlquist, Caroline J.	Cascade	70	20	27 $\frac{1}{2}$	7,000.00	300.02	1
44.	Watts, Claire V.	Wheatland	65	6	13	4,866.67	91.65	1
45.	Webster, Mary Catherine	Gallatin	69	18	29	6,738.33	271.04	2
46.	Young, Chloe	Ystone	64	7 $\frac{1}{3}$	13	5,500.00	108.47	2
47.	Wilson, Doris E.	MSU	69	7	29	7,000.00	230.49	1
48.	Wiseman, Florence C.	Dawson	60	5 $\frac{1}{2}$	19	3,525.00	83.14	1
49.	Zucconi, Ada T.	Msls	62	2	11	7,000.00	84.89	1
50.	Ashbrunner, Kathleen	Ystone	62	14 5/9	29	7,900.00	279.78	1
51.	Dick, Esther	Dawson	60	13	9	4,066.67	92.35	1
52.	Douglas, Mildred E.	Custer	62		16	5,300.00	73.13	1
53.	Johnston, Virginia	Ravalli	68		14	4,700.00	56.69	1
54.	McGreevey, Alice	Deer Lodge	63	13	29	6,350.00	241.57	1
55.	Eriksen, Martin	St. Dept.	65	2	22 $\frac{1}{3}$	5,500.00	131.55	1
56.	Foote, Leon C.	Ystone	64	7	28	5,808.33	196.49	1
57.	Leiper, Lillian V.	Ystone	67		19 $\frac{1}{2}$	6,913.33	118.09	1
58.	Ostrom, Margaret B.	Cascade	63		28	7,000.00	157.48	2
59.	Peterson, Majell	Pondera	65		23	6,783.33	128.80	2
60.	Swanson, Emma C.	Deer lodge	61	12	29	6,100.00	225.12	2
61.	Dahlberg, Harry W.	Silver Bow	70	16	29	7,000.00	173.82	3
62.	Speich, Clarence	Glacier	65	1	32	7,000.00	142.95	4
63.	Tomlinson, Helen M.	Powell	66	6	21 $\frac{2}{3}$	5,160.00	135.75	1
64.	Wilson, Eva H.	Rosebud	64		15 $\frac{1}{2}$	4,961.66	55.65	3
65.	Cutts, Charles R.	Ystone	65	15	29	7,000.00	278.11	2
66.	Georgia I. Swan	Cascade	65	16	29	7,000.00	287.50	1
67.	Watson, Mildred S.	Gallatin, VR	60	11	6 $\frac{1}{2}$	3,800.00	70.94	2
68.	Halverson, Hilda	Flathead	67		13	4,140.00	49.13	2

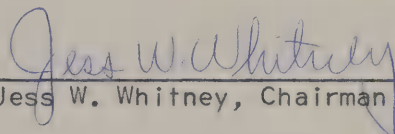
The following application for disability benefits was unanimously approved on a motion by Mr. Mitchell and a second by Mr. Hayes.

Elizabeth Power
(brain tumor)

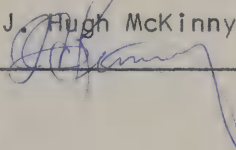
Big Horn County
age 54
11 yrs. service
average salary \$4,700
benefit \$97.92

Mr. Hayes moved that the Secretary be instructed to write a letter to the Governor requesting the reappointment of Mr. Whitney to the Retirement Board. Mr. Gleason seconded the motion which was unanimously approved.

The next Board meeting was set for 10:00 a.m., Saturday, September 17 and the meeting adjourned at 12:15 on a motion by Mr. Hayes and a second by Mr. Gleason.



Jess W. Whitney, Chairman of Board

J. Hugh McKinny, Executive Secretary


Executive Secretary's Report
May 28, 1966

During 1965-66 we had 232 teachers leave the profession by retirement, disability and death. Breaking the figure down: 202 retired; 8 were disabled; 22 died. Of the 22 who died, 10 of the survivors chose or were able to choose a survivor's benefit. In addition, some 1400 will withdraw giving a total of approximately 1,632 teachers who will have to be replaced. These figures, plus the few who will leave the System with a vested right, seem to give a teacher turn-over rate of 16-17 per cent. Montana schools will turn out about 1,420 teachers this year and about half of these will teach in Montana so the state will have to import or "reactivate" about 1,000 teachers this coming term.

I have some preliminary "averages" on those teachers retiring now. The average retirement age is sixty-five--both male and female. This is up from sixty-four as was the average age in the past. The average salary at retirement is over \$6,000 for the first time. The years of service average out to 31 with 8 years prior service and 23 years membership service. The average check, regardless of option selection, was \$170. The over-all average on our payroll for April was \$122.85

We should have a unity of action on the removal of the salary ceiling this coming year. The MEA Delegate Assembly approved it as did the University Faculty Council. At the same time, these groups are on record as approving the 5-year vested rights with the offsetting limit of 5 years out-state service. I also have to assume that it is their desire to have survivor's benefits and disability after 5 years but it was never brought up. Possibly because they assumed this was part of amending the vested right section. Which of the groups will have the bills introduced, I don't know but I assume it will be the MEA. They are most interested in trading support on this bill for alternate support from the University faculty on the removal of the salary ceiling.

The office work is again swinging to year-end tasks. We are busying ourselves with requests for withdrawal forms, estimates of retirement benefits, processing applications and, of course, posting accounts. The clerk in Kalispell has his remittances up-to-date and, quietly with no fuss, paid the \$418 interest we asked,--no, demanded.

We have done a lot of traveling since the last meeting. Tom went to Nashua for a speech and estimates March 16 and on the same day I was in Superior. The first week in April I did estimates in the Billings System. I spoke in Stanford April 12 and in Conrad April 27. On April 22 I spoke at a Faculty Forum at the State University to help the members of the Faculty Council explain to their young members why they supported the removal of the salary ceiling. The first week of May I attended the Executive Committee meeting of the National Council on Teacher Retirement in Philadelphia where we organized the program for the fall convention in Puerto Rico.

Investment Report

May 28, 1966

The cost of money continues to remain high. Yields in the bond market since the highs at the last Board meeting fell off somewhat during the quarter but have again risen to exceed the higher yields of mid-March. High-grade public utility bonds with AAA ratings with call protection yield between 5.20 and 5.25; AA's between 5.35-5.40 and an A with no call protection sold this week to yield 5.80. Investors are now becoming very conscious of call protection and the yields on callable bonds are considerably higher than non-callable bonds.

How long bond yields will remain at these historic highs is, of course, unknown. It appears that they will remain high or get even higher as the threat of inflation remains without an increase in taxes. This leaves only monetary policy to "dry up" cash flows and to do this, interest rates must remain high. They must remain high also to offset the overseas payment deficit caused by the Vietnamese war and high interest rates in Europe which lure U. S. investments into their markets.

The rate on guaranteed mortgage paper is now $5 \frac{3}{4}$ with $3 \frac{1}{2}$ per cent discount. This gives us a net of 5.65 on a 10-year average life. To get a corresponding yield from $5 \frac{1}{2}$'s requires $4 \frac{1}{2}$ per cent discount and $6 \frac{1}{2}$ per cent on $5 \frac{1}{4}$'s. Even at these rates we have had no trouble getting mortgage offerings.

During the last quarter we have purchased the following offerings with interest rates from $5 \frac{1}{4}$ - $5 \frac{3}{4}$ at discounts of from 3 to $6 \frac{1}{2}$ per cent.

1st State Bank of Whitefish	\$ 40,000.00
Exchange State Bank, Glendive	101,000.00
Streeter Brothers, Billings	160,000.00
Security Bank, Billings	105,000.00
Bank of Baker	112,000.00
Guaranty Company, Billings	88,000.00

During the same period we purchased the following bonds:

\$ 100,000 Federal Land Bank Bonds	5 $\frac{1}{8}$ of 78	@ 5.12	1st Boston
500,000 Federal Nat'l Mrtge Assoc Bnds	5.35-5.50 of 1975-81		various
100,000 ACF RR Equip Trust Cdfs	5 $\frac{5}{8}$ of 81	@ par	R.W. Pressprich
150,000 Southern Cal Edison	5 $\frac{1}{4}$ of 96	@ 5.33	Kalman & Co. & Salomon Brothers
25,000 Philadelphia Electric Co.	4 $\frac{1}{2}$ of 95	@ 5.15	F. I. DuPont
61,000 Minnesota Pwr & Light	3 $\frac{5}{8}$ of 81	@ 5.23	Halsey Stuart
100,000 Chesapeake & Potomac Tel Co.	5 $\frac{1}{4}$ of 2006	@ 5.23	Halsey Stuart
100,000 Pacific Gas & Electric	5 $\frac{3}{8}$ of 98	@ 5.35	Kalman & Co. & Halsey Stuart

We also traded \$425,000 Federal Land Bank $4 \frac{1}{2}$'s of 74 for \$450,000

Southwestern Bell Tel 4 5/8's of 95, which will increase our interest \$13,500 during the next 8 years in addition to increasing our principal \$25,000, so the trade will net us approximately \$38,500. Also, we traded \$1,070,000 U. S. Treasury 4's of 1980 for \$1,100,000 American T & T's 4 3/8's of 1999 and \$12,000. The increased interest earned plus the increase in principal will give us a dollar profit of \$106,000 during the next 12 years. The reason these trades became so profitable was because when the stock market fell off, the government market strengthened and the corporate market weakened at the same time. The trades were done with the First Boston Corporation.

14/11
1/1/16

Minutes, Retirement Board Meeting
September 17, 1966

The meeting was called to order by the Chairman, Mr. Whitney, at 10:00 a. m.. Other members in attendance were Miss Miller, Mr. Hayes, Mr. Gleason and Mr. Mitchell. Also attending were Mr. Young, the Actuary and Mr. McKinny, the Secretary.

After examining the minutes of the May 28, 1966 Board meeting, Mr. Hayes moved that the minutes be amended to show Mr. Whitney was elected Chairman and Miss Miller, Vice Chairman for the fiscal year 1966-67 and that the minutes then be approved.

The Secretary presented his reports on work progress, investments, Stanford Fiduciary Investment Program and also reviewed the Biennial Report. It was suggested that the latter include the Actuary's Report of March, 1966 and a review of the legislative program for the 1967 session. The reports were ordered placed on file on a motion by Miss Miller and a second by Mr. Hayes.

The fourth quarter payrolls of 1966 were approved in the following approximate amounts on a motion by Miss Miller and a second by Mr. Mitchell.

Office	approx.	3,525.00	per month
Retirement	"	212,300.00	per month

The Secretary reported the amendments to the law approved at the last meeting were now in bill form. He reported that in the process of amending these sections, four additional changes could be made without any additional bills. These changes, although necessary, were not imperative and probably would not get much attention as separate legislation and as long as the sections were being amended now, it was a good time to make these changes:

1. Raise the daily per diem for Board members from \$10 to \$25 a day and the total annual per diem from \$100 to \$250.
2. Change the age for minimum retirement allowance from 65 to 60 to correspond with minimum retirement age of the law.
3. Correct the wording on the naming of beneficiaries as suggested by the Attorney General's office.
4. Permit the refunding of interest to beneficiaries of deceased members.

After a discussion of the proposals, Mr. Mitchell moved that all four suggestions be incorporated into our legislative program. Mr. Gleason seconded the motion which was approved.

The Board next turned to the new business at hand and after reviewing the interest earnings for the past year and the forecast for earnings

this year, set the interest rate on teacher's savings accounts at 4.25 per cent and Mr. McKinny was instructed, on a motion by Mr. Mitchell and a second by Mr. Hayes, to present a Resolution to the Board at its next meeting to increase the rate to 4.25 per cent. The motion was unanimously approved.

The Secretary next reported the Attorney General's office stated that an amendment to the law to increase survivor's benefits was not necessary if the Board wished to liberalize its definition of "required reserves" as the basis for these payments. After a thorough discussion, Mr. Mitchell moved that the Actuary and the Secretary be instructed to present a Resolution to the Board at its December meeting defining the "required reserves" as that amount of money necessary to pay a retirement benefit for life to the teacher had she retired on the day of death and the Resolution be made effective as of September 17. Mr. Hayes seconded the motion which was unanimously approved.

The Board next considered the application for Servicing Agreements with the First National Bank of Whitefish and the Gallatin Trust and Savings Bank of Bozeman. Mr. Hayes moved the Secretary be instructed to secure the proper signatures on our standard Servicing Agreement. Mr. Gleason seconded the motion which was approved.

Next on the agenda was the Actuary's suggestion that the System adopt a 4 per cent actuarial reserve as the basis of funding the System. He reported the higher the interest assumption the less unfunded liability the System would have and the assumption of a long-term rate of 4 per cent at this time would not be out of line. Mr. Gleason then moved the adoption of the 4 per cent rate and Miss Miller seconded the motion which was unanimously approved.

The request of the Secretary to attend the National Council on Teacher Retirement Convention in Puerto Rico October 1-9, 1966, was approved on a motion by Mr. Hayes and a second by Mr. Mitchell.

The following applications for retirement benefits were unanimously approved on a motion by Mr. Hayes and a second by Miss Miller:

	<u>County</u>	<u>age</u>	<u>PS</u>	<u>MS</u>	<u>average sal.</u>	<u>benefit</u>	<u>opt.</u>
1. Alcorn, Ora B.	Roosevelt	61	7	17½	\$ 4,500.00	\$ 101.32	I
2. Allen, Helen S.	Carbon	65	5½	21	4,683.33	107.69	I
3. Crumpacker, Ruth	Richland	70	18½	17	4,233.33	154.69	I
4. Curran, Margaret H.	Cascade	62	7	18	7,000.00	166.12	I
5. Delamore, Irene M.	Richland	62	10	17½	3,772.00	103.34	I
6. Dybdal, Eleanor M.	Cascade	65	9	23	7,000.00	211.19	I
7. Egeler, Nina B.	Cascade	67	6	24	4,949.50	144.00	I
8. Erdahl, Alice I.	Gallatin	63		25½	5,326.67	111.56	I
9. Gamble, Nell S.	Ystone	65		14	7,000.00	85.50	I
10. Gander, Blanche	Ravalli	66		12	4,346.66	49.02	I
11. Grundmeyer, Edna V.	Dawson	61	11	28	5,247.61	165.88	I
12. Hanson, Edna M.	Daniels	61	3	11	4,466.66	60.13	I
13. Lyons, Dorothea M.	Lake	62		27	5,050.00	115.28	I
14. McGuire, Liane	Judith Bsn	60	10½	24	4,650.00	145.38	I
15. Most, Gladys	Lincoln	65		28	6,066.67	136.15	I
16. Page, May C.	Sanders	61	8	9 1/9	4,690.00	83.68	I

17.	Parker, Olive M.	Lincoln	65	11	20 $\frac{1}{2}$	\$ 5,008.33	\$ 160.12	1
18.	Perry, Maurine	Cascade	60	7 $\frac{1}{3}$	21 $\frac{1}{3}$	4,566.66	123.65	1
19.	Peterson, A. V.	Flathead	65	11	25	6,893.33	240.86	1
20.	Peterson, Rachel A.	Glacier	65	9	29	5,351.67	176.86	1
21.	Reine, Margaret B.	Yellowstone	63	13	26 $\frac{1}{2}$	7,000.00	250.56	1
22.	Roehm, Richard R.	MSU	62		13	7,000.00	84.43	1
23.	Shular, Lillian D.	Jefferson	70	6	23	5,500.00	155.46	1
24.	Skelton, Agnes C.	Missoula	65	11 $\frac{1}{2}$	17	6,860.67	192.43	1
25.	Smith, Billie	Gallatin	60	6 $\frac{2}{3}$	23 $\frac{1}{3}$	5,675.00	152.04	1
26.	Teeples, Marie	Stillwater	62	6	10 $\frac{1}{2}$	5,075.00	83.76	1
27.	Wilson, Brenda F.	U of M	70	4 $\frac{2}{3}$	29	7,000.00	224.62	1
	" " "	Tax-deferred annuity					124.39	1
28.	Adams, Harry F.	U of M	70	22	24	7,000.00	184.62	3
29.	Davis, Henry C.	Missoula	65	11	27	7,000.00	229.24	4
30.	Fiske, Henry J.	Lewis & Clk	66	13	29	6,750.00	161.70	3
31.	Jarussi, Loretta	Carbon	65	20	29	6,383.33	283.61	2
32.	Jeska, Fred Edward	Cascade	62	8	29	7,000.00	207.27	4
33.	Kusler, Calvin J.	Flathead	67	16 $\frac{1}{2}$	28	7,000.00	209.77	5
34.	Richman, Luther A.	U of M	70	2	24	7,000.00	163.18	4
35.	Swenson, Oscar A.	Gallatin	65	13 $\frac{1}{2}$	29	7,000.00	245.86	4
36.	Swanson, Emma C.	Deer Lodge	61	12	29	6,100.00	225.12	2
37.	McAuliffe, D. C.	Mines	70	16 $\frac{1}{2}$	29	7,000.00	231.51	4
	" " "	Tax-deferred annuity					218.21	4
38.	Giulio, Isabelle	St. Dept.	65		18 $\frac{1}{2}$	minimum ben	50.40	2
39.	Campbell, Kathleen	U of M	65		27	7,000.00	239.00	5
40.	Dusenberry, J. V.	U of M, VR	60	7	21	7,000.00	183.06	2
41.	Coon, Norma	Big Horn	60	7 $\frac{1}{2}$	20	6,053.00	132.43	3
42.	Stevenson, Lois J.8	Glacier	68	6	16	5,000.00	107.44	2
43.	Wilson, Eva H.	Rosebud	64		15 $\frac{1}{2}$	4,961.66	55.17	3
44.	Kelly, Mayme	Silver Bow	69	21 $\frac{1}{3}$	29	7,000.00	313.58	2
45.	Tomlinson, Helen M.	Powell	66	6	21 $\frac{2}{3}$	5,160.00	135.75	1
46.	McGreevey, Alice Rose	Deer Lodge	63	13	29	6,350.00	241.57	1
47.	McCollum, Lenore T.	Bvrhead	65	9	22	6,100.00	183.68	1
48.	Bergren, E. L.	MSU	65	12	28	7,000.00	260.11	1
	" " "	Tax-deferred annuity					81.06	1
49.	Miller, Jimpsie K.	Richland	61	7	27 $\frac{1}{2}$	6,933.33	205.64	1
50.	Slater, Harold A.	Fergus, VR	60	6	7	minimum ben.	37.14	1
51.	Wamback, Mary	McCone	65	1 $\frac{1}{2}$	20	4,100.00	75.05	1
52.	Tucker, Ruth M.	Chouteau	65	4	9 $\frac{1}{2}$	4,600.00	63.13	1
53.	Richards, Dorothy M.	Custer	65	2	13	5,100.00	72.87	1
54.	Vinton, Edna G.	Rosebud	69	12 $\frac{1}{2}$	19 $\frac{2}{3}$	4,791.67	161.31	1
55.	Saxton, Daniel E.	Phillips	65	4 $\frac{2}{3}$	12	3,456.67	60.46	1
56.	Christian, Bertha A.	Flathead	61	7 $\frac{1}{2}$	15	4,366.66	98.02	1
57.	Doherty, Colette L.	Silver Bow	64	14	29	7,000.00	252.98	5
58.	Blumer, Frances J.	Mineral	69	2 $\frac{1}{3}$	18	4,433.33	79.16	2
59.	Omundson, Bert F.	Sheridan	66		21	5,433.33	110.42	1
60.	Seibert, Essie M.	Lake	64		17	6,201.67	90.86	1
61.	Croner, Winifred	Lewis & Clk	60		11 $\frac{1}{2}$	4,068.33	41.15	1
62.	Castles, Gordon B.	U of M, VR	60	3	25	6,000.00	116.00	3
63.	Goetschius, Eva C.	VR	60	9	20 $\frac{1}{2}$	6,333.33	174.16	1
64.	Grund, Alma	Hill	65	15	18	4,425.00	144.33	1

65.	Hovee, Agnes B.	Missoula, VR	60	8	13	3,679.38	77.36	1
66.	Klies, Marie E.	Hill	65		22	4,386.67	87.20	1
67.	Lorance, Harley B.	Ravalli, VR	60	4	15	6,000.00	102.27	1
68.	March, Geneva B.	Custer	63		26½	5,991.66	125.67	1
69.	Phares, E. E.	Deer Lodge	68	10	21	7,000.00	168.13	5
70.	Mooney, Olive L.	Glacier	64	12½	9	minimum ben.	61.43	1
71.	Rose, Frances P.	Cascade	62	2½	13	4,100.00	60.91	1
72.	Sommerfeld, Ruth W.	Richland	63	3½	12½	4,155.00	61.12	1
73.	Westlund, C. J.	McCone	60		10	3,996.67	34.77	2
74.	Williamson, Marie K.	Lincoln, VR	60	8 2/3	13 2/9	4,166.67	89.61	1
75.	Peppere, Ura E.	Bvrhead	64	4	20	4,750.00	99.49	2
76.	Crum, Katherine H.	Silver Bow	60	6½	17½	6,936.00	148.21	2
77.	Dedon, Erma N.	VR, Flathead	60	6	12	6,933.33	123.18	1
78.	Johnson, Geraldine E.	Roosevelt	66		12	4,508.34	51.76	1
79.	King, Mary	Ravalli	66	12½	28	5,802.33	204.13	1
80.	Jordan, A. Raymond	VR, MSU	60	8	11	5,000.00	98.31	1
81.	Klapmeier, L. Richardine	Custer	60		12	6,993.33	70.52	2
82.	Klotzbuecher, Hazel D.	Blaine	70		15	3,833.33	58.16	1
83.	Ross, Thelma H.	Ystone	62	9 1/9	28 4/9	4,400.00	153.63	1
84.	Trambley, Gladys S.	Missoula	65	13	22	6,612.00	225.33	1

The following applications for survivor's benefits were approved on a motion by Mr. Hayes and a second by Mr. Mitchell:

- Harris Opp
age 73
Benefit \$289.41

Survivor of Florence Opp, Bvrhead Co.
age 62
PS - 12 yrs. CS - 37½ yrs.
Average salary \$ 5,733.33
ASF 5,975.50
- Donald Boltz
age 39
Benefit \$51.11

Survivor of Edna Boltz, Lake Co.
age 64
PS - 12 yrs. CS - 24½ yrs.
Average salary \$3,866.67
ASF 3,427.22
- Caroline Lybeck
age 58
Benefit \$38.12

Survivor of Julia Lybeck Melby
Vested Right, L & Clk
age 53
Average salary \$ 4,088.00
ASF 2,605.87
- Pearl L. Walker
age 56
Benefit \$68.37
+ \$50 for minor child

Survivor of Edward E. Walker, Lake Co.
age 58
CS - 19 yrs.
Average salary \$ 7,000.00
ASF 5,970.87

The following applications for disability benefit were approved on a motion by Mr. Mitchell and a second by Miss Miller:

- Ruth Hillard
age 59
Benefit \$105.12

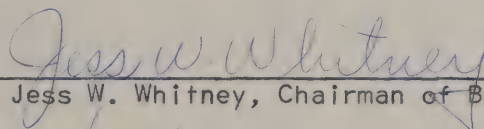
Park County
PS - 8yrs. CS - 23 2/9 yrs.
Average salary \$ 4,225.00
ASF 2,397.72

2. Evelyn M. Smith
age 56
Benefit \$92.36

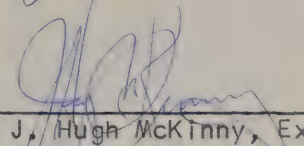
Flathead County
CS - 15 yrs.
Average salary \$4,433.33
ASF 2,894.29

After reviewing the application for disability benefit of Esther McCurdy, Mr. Mitchell moved that the Secretary ask Mrs. McCurdy to have Dr. Swanberg of Kalispell review her physical condition for the Board and that travel and expenses involved by Mrs. McCurdy be paid by the System not to exceed amounts allowed by state law. Miss Miller seconded the motion which was unanimously approved.

The next Board meeting was set for Saturday morning, December 10 at 10:00 o'clock and the meeting adjourned on proper motion and second.



Jess W. Whitney, Chairman of Board

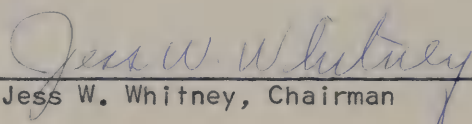


J. Hugh McKinny, Executive Secretary

December 10, 1966

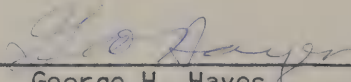
Resolution No. 43

BE IT RESOLVED that the interest rate of four and one quarter per cent ($4\frac{1}{4}\%$) be allowed on the annuity savings funds of The Teachers' Retirement System and that the Actuary be instructed to use an interest rate of four per cent (4%) together with the 1965 mortality and disability and withdrawal assumption to determine the amounts of the reserves for all active members and that the three per cent (3%) 1937 standard annuity tables be the basis for reserves for all retired members.



Jess W. Whitney, Chairman

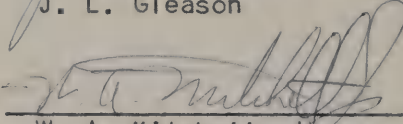
Harriet E. Miller



George H. Hayes



J. L. Gleason



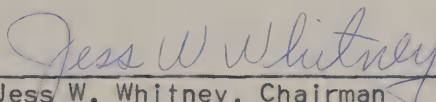
W. A. Mitchell, Jr.

December 10, 1966

Resolution No. 44

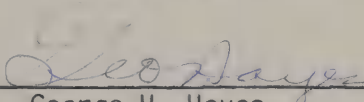
BE IT RESOLVED, that the definition of "required reserve" in the calculation of death benefits in Section 75-2707, paragraph 8 (c) be the amount of reserve required to pay a straight-life benefit to the deceased member had the member just been retired on the date of his death and this required reserve then be the basis of the survivor's benefit and

IT IS FURTHER RESOLVED, that this resolution be in effect for the calculation of survivor's benefits on deaths of members after September 16, 1966.

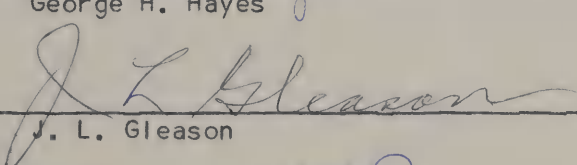


Jess W. Whitney, Chairman

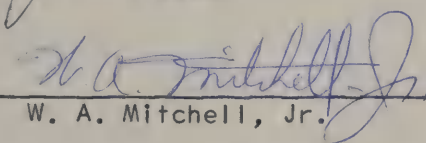
Harriet E. Miller



George H. Hayes



J. L. Gleason



W. A. Mitchell, Jr.

Executive Secretary's Report
September 17, 1966

Another fall season has hurried upon us and we are getting prepared to process all the beginning teachers as well as ex-members returning. From the stories in the papers we should have a lot of strangers this year. I know that since the 1st of June we have refunded contributions to 1,045 teachers amounting to just under \$700,000. This exceeds last year's refunds through September 30th by 125 and \$160,000 and we still have half of September to go.

Teacher lists have not been coming in very fast but we don't expect them en masse until the end of September. The county superintendents like to have them complete before sending them in and city school want good addresses. I am happy to report that one of our crosses has been lifted. Mary Rumley, the clerk at Somers, has finally been replaced. There must be great rejoicing from Kalispell to Washington.

With the additions to the retirement payroll this summer our total retired members now exceed 1,700. The average check is now \$124.72 which exceeds last year's average by over \$3. Here are the averages on the new additions by service only:

<u>10-15 yrs.</u>	<u>15-20 yrs.</u>	<u>20-25 yrs.</u>	<u>25-30 yrs.</u>	<u>30-35 yrs.</u>
\$53.27	\$82.31	\$98.64	\$146.43	\$236.99

Those teachers with 35 years or more and a \$7,000 average salary averaged \$268.27.

The Legislative Council is recodifying our Act and I have been working closely with them. I had hoped to get them to make some administrative changes but to no avail. Everything I suggested seemed to be a substantive change rather than the removal of obsolete material. As yet, they haven't made any additional Sections to make the Act easier to amend but I haven't given up on that. All in all, they haven't done much to the law. Most of the language was just copied from the 1947 Codes.

I have also been working with them on a new Firemen and Policemen Retirement System and for all this service if they don't support our legislative program this session, they are going to get a large bill for services rendered.

We will cover four of the five MEA Conventions. Tom will cover Missoula and I will take Miles City and Wolf Point. I also have an invitation to speak at Polson this fall.

Investment Report
September 17, 1966

The Federal Reserve Board has two problems; one to keep money easy to continue our present boom and two, to keep money tight to prevent inflation. The problems were brought on by a simultaneous assault on our economy by the Vietnamese War, high business expansion and high government borrowing and spending. Any one or two could have been handled but not all three at the same time. The Federal Reserve Board deemed inflation the biggest worry and continued to tighten money and interest rates continued to rise to the highest level in 40 years. The demand was and still is so high that other restraints have to be used. Nothing has been done to change the basic problem. The President did announce on September 8 that Congress will be asked to remove the 7 per cent investment credit on purchases of new equipment by corporations effective September 1 (TWA ordered enough jets on September 2 so that the removal will cost \$29 million) and a change of the depreciation schedule both for sixteen months. The President also announced that Federal spending would be reduced and agency borrowing would be curtailed. These measures are designed to reduce the demand for money. The problem of inflation still faces the Federal Reserve Board. If it pushes interest rates back too fast, inflation will not have been checked and the result would absolutely have to be an increase in personal income tax but it is hoped that this will not be necessary—at least, not until after the first of the year.

As the result of these announced plans, the bond market rallied strongly and AAA bonds that sold for 6.05 now sell to yield 5.85. At the same time, the stock market, after nearly a 30 per cent drop, began its present strong rally. So without any basic change in our economy, everyone in financial circles is smiling; things are looking up. I don't look for any great changes in interest rates in the near future because I doubt much reduction in Federal spending. I am sure that the housing interests will force FNMA to borrow \$4 billion to help their industry. I doubt that the Federal Reserve Board will let up on its fight against inflation to let a tax increase do it later, but maybe psychology alone will do the job.

Since the last meeting we purchased \$500,000 in FNMA Participation Certificates yielding from 5 3/8 to 5 1/2. These were bought in June. Since the 1st of July we purchased \$60,000 in mortgage paper from the Security Bank in Miles City and the First National in Kalispell. The discount on 5 3/4 paper was 4 per cent at that time and we are now quoting 6 per cent and warning of 7. A 6 per cent discount will yield us approximately 6.10% with an average 10-year life.

Stanford Fiduciary Investment Program

August, 1966

After examining the school's advance program, I decided to attend in spite of the disappointment of last year's session in Berkeley. With the rivalry between not only the schools but the business faculty as well, Stanford went all out in recruiting students and lecturers; and providing an enjoyable, informative program.

The class included 19 representatives of public funds, 11 from corporate pension funds and 16 from bank trust funds. Students came from all sections of the country, including Alaska but predominantly were from the West.

Lecturers included the Director of the Program, Gert von der Linde, Sidney Cottle, Alex Robichek, Ezra Soloman, James Van Horne--all of Stanford University plus Manown Kizer of Standard Statistics; Robert Einzig, Consulting Economist; Claude Rosenberg, Security Analyst and Frank Weeden of Weeden & Company. Classes were held from 9:00 until 5:00 with the last two hours of each day spent in workshop where we split into our respective groups.

Stanford's classes were more in practical application than in theory but we were given a good review of monetary policy and recent developments in the capital markets. We also were given background for both long and short-term credit forecasting.

More time was spent on security analysis than before--including management and selection with one day given to quantitative methods which is the use of computers in stock selection. We also had a very good day on valuation principles and even though the specific problem was the sale of a shopping center, the principles would be the same for any type of equity investment.

The lecture on Measurement of Investment Performance was anticipated by everyone and it fell a bit short. Everyone wanted to know a good method for comparing his net yield with the next Fund's but it is certainly impossible to do, even if you know the exact make-up of the portfolio.

We had a lot of discussion on risk which not only includes the out-right loss of your investment but the loss of purchasing power and the loss of interest earnings over time. It has reached a point now where trustees are no longer considered prudent if their only concern is protection of principal. Their consumers, in our case, teachers, want protection of purchasing power also.

I think the most startling statistic I heard was on the make-up of U. S. population. If you don't think youth makes up our population, well, 93% of our people today were not adults in 1918; 80% were not in 1933 during the depression; 66% not old enough to serve in World War II and 48% were not adults in 1961--the end of the Eisenhower administration.

Minutes, Retirement Board Meeting
December 10, 1966

The meeting was called to order at 10:99 a.m. by the Chairman, Mr. Whitney. Attending were members, Mr. Gleason, Mr. Hayes and Mr. Mitchell; also, Mr. Young, the Actuary and Mr. McKinny, the Secretary. Miss Miller was unable to attend because of a prior commitment in Great Falls.

The minutes of the September meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary presented his reports and they were ordered placed on file on a motion by Mr. Hayes and a second by Mr. Gleason.

The payrolls for the 1st quarter of 1967, in the following approximate amounts, were approved on a motion by Mr. Hayes and a second by Mr. Gleason.

Retirement	approximately	\$213,000.00	per month
Office	"	3,527.00	per month

The Board then reviewed the legislative program and discussed the informal meeting of the previous evening with the Montana Chapter of the National Retired Teachers' Association. The Secretary reported that their President, Mr. John Savage, had decided to sponsor legislation to increase the employer contribution to 5 per cent and increase benefits to retired teachers 1 per cent for each year the teacher had been on retirement since 1937 and to increase retirement benefits 1 per cent annually in the future. The Secretary was instructed to watch the bills to see that the additional employer contribution was raised to meet the cost of the increased benefits.

The Secretary then read Resolution #43, which raises the interest calculation on ASF accounts from 4 to 4½ per cent and raises the interest assumption from 2½ to 4 per cent in reserve calculation. The Resolution was adopted on a motion by Mr. Mitchell and a second by Mr. Hayes. Resolution #44, defining the required reserve for the calculation of survivor's benefits, was adopted on a motion by Mr. Mitchell and seconded by Mr. Gleason.

The following list of dormant accounts, on which a contribution had not been made for seven years, was ordered transferred to PAF on a motion by Mr. Hayes and a second by Mr. Mitchell:

Abrams, Kathleen E.	\$ 499.03	Andrews	\$ 147.06
Anders, Dorothy Ann	1,063.29	Bartlette, Sidney John	584.89
Anderson, Virginia L.	987.61	Batten, Evalyn Elizabeth	117.11

Boom, Diana Lee	\$ 41.75	Lucas, Mabel May	317.88
Brown, Dorothy	143.41	McFerron, David Newton	771.38
Bryant, Ruth A.	347.21	McGee, John James	1,430.44
Buchanan, Esther	1,190.47	McRae, Beverly Jean	405.09
Buchini, Shirley	15.76	Maurer, Frances Helen	387.83
Carlson, Burton Raymond	1,042.70	Miller, Alice LaVerne	247.55
Carson, Mary Louise	178.15	Miller Mary Pearl Beerman	476.68
Coffee, Elbert Lowell	92.69	Milligan, Teresa Canton	83.07
Collins, Charles Clifford	1,571.84	Mitchell, Betty Ruth	222.00
Cook, Edith	67.79	Mohr, Beverly Ruth	189.83
Cougil, Nancy Clevenger	329.65	Muecke, Gordon Harold	373.63
Dahl, Elsie McSorley	1,042.54	Neas, Hazel Evangeline	27.87
Dehon, William	227.89	Nelson, Edna M.	1,354.56
DeRudder, Karen Zoe	171.51	Ness, Ella Mae	167.64
Diacon, Lois	550.92	Neubert, Judith Ann	231.46
Dixon, Joan Beverly	233.12	Newgard, Karol Katherine	174.82
Douglas, Mary Lou	795.55	Newson, Shirley	564.05
Elliston, Helen Bernice	179.91	Nielson, Cleo O. Doyen	198.38
Elvert, Ruth Drawbond	1,477.56	Nye, Helen	191.42
Evans, Willa Dale Clark	336.66	Overland, Mary Ann Becker	197.71
Focht, E. Marie	42.02	Patterson, Clayton B.	118.78
Foss, Marjorie Bernice	1,173.20	Pehl, Alice Lenore	231.15
Gerdes, Loren Albert	598.06	Pelletier, Robert	51.30
Grindley, Vincent Peter	77.33	Peters, Estes	1,039.22
Gross, Emily B.	81.70	Peterson, Madge Eleanor	81.74
Hager, Shirley Sherman	476.02	Peterson, Penelope	28.57
Hammer, Elizabeth	162.84	Poole, Darielle Joy Olson	158.32
Handy, Lois Howard	97.78	Price, Kathleen	386.20
Harshbarger, Ferne Hoff	711.42	Quinian, Marcia Berdell	82.91
Harwood, Aniel Sharron	241.96	Rhaesa, Donald L.	50.18
Hawkes, Emma Magee	351.85	Robson, William Joe	73.12
Hetrick, Ruth P. Zurcher	55.92	Runsvold, Helen M.	589.89
Heyn, Jacquie	440.14	Sampson, Jacklynn Louise	435.98
Hill, Gladys Rachel	185.21	Scheibel, Rosemary Pearson	644.53
Hofman, Dorothy Myrtle	69.84	Smiley, Shirley E. Wolff	1,649.65
Holden, Ethel Louisa	197.45	Spoja, Mary Helen Scully	465.12
Holland, Gayle E.	114.58	Stapleton, Jeanne Collette	1,235.57
Holm, Edna Mary	581.83	Stehlik, Carole Jean	31.53
Ihler, Marjorie Lucille	12.00	Stein, Patricia Agnes	239.42
Johnson, Bernadine	100.38	Stibal, Shirley Ethel	685.58
Johnson, Doris May	145.28	Stone, Harry W.	809.02
John, June Patton (Bonnie)	39.79	Sturdevant, Rowena Chrystine	142.14
Johnston, Ella	165.53	Swanson, Bernice T.	500.85
Kalafat, Rosemary K.	196.37	Tonkin, Lela H.	79.04
King, Marguerite	152.20	Wells, Shirley Ann	100.17
Kirk, Eleanor L.	116.19	Wetzel, Arnold Roland	225.18
Knerr, Alice Elaine	302.76	Wicklund, Joanne Blanche	436.72
Lahart, Vergil Harriette	20.25	Wildish, Esther Wilma	315.37
Langenbach, Robert G.	1,832.34	Williams, Wilbur Fiske	218.05
Larson, Ada Mae	374.48	Wilson, Eunice A.	208.88
Leitner, Eunice	159.62	Winters, Dennis E.	50.91
Lemke, Emil B.	677.35	Wolery, Fern Mildred	212.32
Lookabaugh, Olive Claire Duncan	242.26	Wolverton, Carolyn Jean	202.69

Woodard, Myrtle	857.70
Woodworth, Jane Hillis	<u>356.71</u>
	\$45,598.67

The following applications for survivor's benefits were approved on a motion by Mr. Mitchell and a second by Mr. Hayes:

1. Myrtle Forseth
age 59
benefit: \$155.01

Account of Frances Naylor, Lewis & Clk
29 2/3 years service
age 53
average salary \$5,918.33
ASF 6,408.19
2. Beulah Olson
age 46
benefit: \$129.00

Account of Robert Olson, Flathead
3 yrs. PS & 22 yrs. MS
age 47
average salary \$6,841.66
ASF 6,335.04
3. Vera Gaines
age 59
benefit: \$173.96

Account of P. C. Gaines, MSU
age 68
14 yrs. PS & 29 yrs. MS
average salary \$7,000.00
ASF 7,137.58

The following applications for disability were approved on a motion by Mr. Hayes and a second by Mr. Gleason:

1. Annie Omdahl
age 59
cancer (brain)

Lake County
2 yrs. PS & 12 yrs. MS
average salary \$4,266.67
Benefit: \$88.89
2. Cleo Morgan
age 58

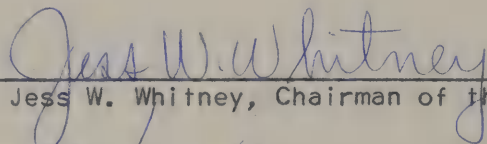
Yellowstone County
8yrs. PS & 25 yrs. MS
Average salary \$6,983.33
Benefit: \$246.91

The following applications for retirement benefit were approved on a motion by Mr. Gleason and a second by Mr. Mitchell:

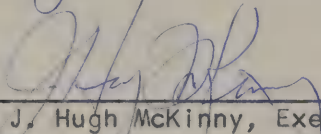
	County	Age	PS	MS	Average sal.	Benefit
1. Vivian, Marjorie	MSU	60		25	\$ 7,000.00	\$ 147.35
2. Lee, Clarence E.	Pondera, VR	60	13 5/6	16	6,166.67	187.05
3. Cushman, John	Carbon	67	2 1/6	12	4,650.00	69.82
4. Ford, James	U ov M, VR	60		17	5,000.00	77.61
5. Middlebrook, Kathleen	Silver Bow	68		19 2/9	6,004.14	97.54
6. Aasheim, Leah	Sheridan, VR	60	8	14 1/2	3,917.00	82.70
7. Stahl, Esther	Cascade	66		19 5/6	6,350.00	96.70

8.	Melrose, Esther	McCone, VR	60	7	11	\$ 4,935.00	\$ 89.22
9.	Martin, Hilda	Ravalli	60	2	14 2/9	5,216.66	77.39
10.	Nelson, Edna	Fergus, VR	60	6	8	3,200.00	47.08

The next regular meeting of the Board was set for 10:00 a.m., Saturday, March 11 and the meeting adjourned at 11:35 on proper motion and second.



 Jess W. Whitney, Chairman of the Board



 J. Hugh McKinny, Executive Secretary

Executive Secretary's Report, TRS
December 10, 1966

The Convention of the National Council on Teacher Retirement, as you know, was held in San Juan, Puerto Rico. Each year this meeting has been getting larger and this year was no exception. The only group missing was the group from Florida and they had hurricane trouble. In spite of the distance, we had greater attendance than our meeting in Las Vegas. I thought it was a strong program and well received. The Proceedings are not out as yet but they will show the strong interest in investments, actuarial assumptions on interest earnings and increasing promotion of variable annuities.

Our count of active public school teachers exceeded 9,000 this year. This is an increase of 300 teachers which has been a pretty standard figure for the past few years. Our total number of accounts just barely exceeded 12,000.

Work in the office this past quarter has proceeded very well. Our teacher lists are complete and the posting is up-to-date. Payments from the clerks have been coming in as they should, now that the clerk in Somers has been replaced and the clerk in Flathead has been enlightened.

As yet, the Bank Examiners have not completed our examination. I guess they are very shorthanded.

Our request to the Attorney General for permission to increase my salary over the lined amount was denied. It seems that several years ago he had a request from a Board whose Secretary's salary was specified in the law and his line-item salary was in excess of this amount so he ruled they could use the lined amount and now can't very well change his opinion.

Tom and I again covered four MEA Conventions:--Missoula, Bozeman, Miles City and Wolf Point. Floyd also attended the Retired Teachers' Association meeting in Missoula. Also, Tom spoke in Dillon and I did estimates at Polson and Ronan. I also met with the University Faculty Council to help coordinate their efforts for removing the salary ceiling.

Investment Report, TRS
December 10, 1966

The last quarter has continued to be a buyer's market. The supply has continued to be heavy and will remain so at least through the first quarter of 1967. Yields have remained near the historical highs of August with rapid increases and decreases. For instance, the yields were going down from 6 per cent for high-grade bonds with call protection to an offering of Pacific Gas & Electric at 5 3/4. This issue didn't sell at that price and within ten days, Pacific Tel & Tel sold out to yield 5.95. In the past week similar bonds have been selling to yield about 5.80-85 and have been selling out. It has been impossible to judge the level at which bonds will sell. It is generally believed, all things, being equal, that yields will remain near their present levels at least through March and then decrease through the rest of the year but still remaining historically high.

The mortgage market in Montana is very depressed—very few buyers and very little building. So we have had very few offers of late. At the present time, we are getting from five to six per cent discount on 6 per cent loans which equates with the bond market yields.

During the past quarter we have traded \$750,000 Treasury Bonds, 3 1/2's of 98 for deep discount utility bonds. The governments sold for 81½ and we bought at prices ranging from 81½ to 88½. The initial loss was \$17,500 but interest earnings will recover this in four years and from then to maturity of the bonds, we will increase our earnings \$71,000.

Here is a list of our bond purchases the past quarter:

\$50,000.00	Pacific Tel & Tel.	6.00	of 11/1/2002	5.85	Halsey, Stuart & Co.
50,000.00	Illinois Pwr Co.	5.85	of 10/1/96	par	" " "
50,000.00	Pacific Gas & Elec	5 3/4	of 12/1/98	5.75	Merrill Lynch Co.
100,000.00	Pacific Gas & Elec	5 3/4	of 12/1/98	5.83	Blyth & Co.

Below are listed our mortgage purchases:

\$ 82,000	Streeter Brothers, Billings	5½	- 6	93-95½
28,000	1st National Bnk, Kalispell	5½		95
90,000	J. L. Cooper & Co.	5½	- 5 3/4	94-96
160,000	Exchange State Bnk, Glendive	5 3/4		96
36,000	1st National Bnk, Helena	5 3/4		94
90,000	Western Montana Bnk, Missoula	5½		95
75,000	Bank of Baker	5¼	- 5½	94
112,500	Guaranty Co., Billings	5 3/4		96

Minutes, Retirement Board Meeting
March 11, 1967

The meeting was called to order by the Chairman, Mr. Whitney, at 9:00 a.m.. In attendance were members Mr. Gleason, Mr. Hayes and Mr. Mitchell and the Actuary, Mr. Young and the Secretary, Mr. McKinny. Since the legislature was still in session, Miss Miller was unable to attend.

The minutes of the December meeting having been in the hands of the members prior to the meeting were approved on a motion by Mr. Gleason and a second by Mr. Mitchell.

The Secretary presented his reports including the work report, Financial Report, Investment Report and the report of the Bank Examiners. These reports were ordered placed on file on a motion by Mr. Hayes and a second by Mr. Gleason.

Since the salary ceiling on retirement contributions had been removed, a discussion followed on what should be considered as total compensation. Mr. Mitchell moved that total compensation entire include total contract salaries plus the value of quarters furnished for the convenience of the employer. Mr. Hayes seconded the motion which was approved. Mr. Gleason voted "no" as he felt payments made by the district on behalf of the teachers (such as group insurance) should be included.

The payrolls for the 2nd quarter of 1967 were approved on a motion by Mr. Hayes and a second by Mr. Mitchell:

Retirement	approximately	\$213,000 per month
Office	"	3,525 per month

The Board next turned to the new business at hand discussing the problem of retired teachers over age seventy substituting in the public schools. It was generally agreed that the law was not quite clear as to actual teaching but that they could work as teacher's aids where they do not work under contract. Further discussion was postponed to a later date.

The Secretary reported that the purchase of real property was now a legal investment for the System and that there was a possibility that the MAA office building would be for sale. His request to further investigate the possibility of purchasing the building for office space was approved on a motion by Mr. Hayes and a second by Mr. Gleason.

The Secretary's request to attend the Executive Committee meeting of the National Council on Teacher Retirement in San Francisco March 31 to April 1 was approved on a motion by Mr. Mitchell and a second by Mr. Hayes.

The Secretary then presented a few ideas for an investment policy

for conventional mortgages. He was instructed to continue the study and present it to the next meeting.

The following applications for retirement benefits were approved on a motion by Mr. Mitchell and a second by Mr. Hayes:

	<u>County</u>	<u>Age</u>	<u>PS</u>	<u>MS</u>	<u>Average sal.</u>	<u>Benefit</u>	<u>Opt.</u>
1. Donald Bunger	VR, Ravalli	60	6	10½	\$ 3,300.00	\$ 57.32	1
2. Lena Crummy	Glacier	62		34	6,338.33	142.74	1
3. Cele Edd	Missoula	64		33½	6,985.33	185.71	1
4. Mary Price	Ystone	60	9½	27	6,560.00	217.71	1
5. Henry Schiesser	VR, Silver Bow	60	8	27½	5,000.00	106.19	3
6. C. M. Horn	VR, State Dept.	60	9	14	5,000.00	112.93	2
7. Ruth Dietz	Cascade	60		14½	6,616.67	81.59	2
8. Anna Walchi	Lake	62		15½	3,727.00	45.82	2
9. Durham, Julia	Madison	66	6	24	5,366.67	147.17	2
10. James Ford	VR, U of M	60		17	5,000.00	77.61	2
11. Florence Schmit	Northern	60	9	24 ¾	6,653.33	207.90	1
12. Lillian Seymour	VR, Western	60	9	19	6,333.33	164.07	1
13. Esther McCurdy	Lake	60	3½	22	6,201.66	137.55	1
14. Dexter Moser	VR, MSU	60	5	9	2,333.33	40.00	1
15. Geraldine Leary	Lewis & Clk	60	5	14½	6,943.33	113.04	5

The application of Lorraine Shranak for disability benefits was approved on a motion by Mr. Mitchell and a second by Mr. Hayes:

Lorraine Shranak
age 37

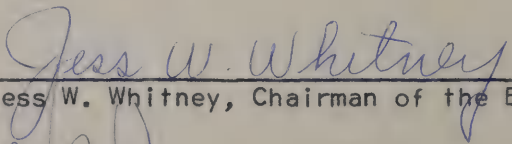
Lincoln County
14 yrs. membership service
Average salary \$6,133.33
Benefit: \$127.78 (opt. #1)

Emmi Schroer's application for survivor's benefit was approved on a motion by Mr. Gleason and a second by Mr. Mitchell:

Emmi Schroer
age 53

Survivor of Louis E. Schroer
Liberty County
7½ yrs. PS -- 25½ yrs. MS
Average salary \$ 6,691.33
Benefit: \$149.47

The next meeting was set for 10:00 a.m., Saturday, May 20 and the meeting adjourned at 11:30 on proper motion and second.



Jess W. Whitney, Chairman of the Board



J. Hugh McKinny, Executive Secretary

Executive Secretary's Report
March 11, 1967

For the record, we did very well in the legislature this session. We introduced six bills and they all passed; we opposed one bill and it was killed. None of our bills had over 14 votes against it in both houses. The bill to reduce out-of-state service had no votes against it and surprisingly the bill to put back the missing sections in the law had three votes against it. I got pretty disgusted at times over the movement of the salary ceiling bill but I was never in doubt that it would pass. We got lots of help from organized teacher groups which overcame frequent letters against the bill. I am also sure that many people voted for it who really didn't care to. I was worried about our 5-year vesting laws as they were hard to handle on the floor. I was very glad to see that no one jumped up against them as they could easily have been killed. In our investment bill we lost permission to invest in Canadian Government Bonds but got permission to invest in conventional mortgage paper up to 75 per cent of appraised value and permission to invest in real estate.

In the past I have written personal letters to people who have requested withdrawals with over ten years of service informing them of their retirement benefit at age sixty. With the lowering of the vested right to five years, I thought we would just send a form letter to those teachers who have between five and ten years and inform them of their rights and continue writing to those who have over ten years. The problem that will arise is on a person with over five years of service who must withdraw within a year after quitting teaching or accept the vested right. Some teachers will not understand.

Mrs. Didriksen has been out of the office for about a month. She had a ruptured disc in her neck and has had an operation so we expect her back shortly. Her desk, of course, is behind but we have all been working at it. The rest of the work is up-to-date.

My travel the past quarter consisted of a trip to Conrad in December and speaking engagements in Sidney, Baker and Glendive the early part of January. Tom spent two days in Kalispell the middle of February doing estimates. We have several requests already for trips in March and April and I believe we will pick up more after the session.

Investment Report
March 11, 1967

In January, 1967, Ohio Power Co. Bonds were offered at 4.89 per cent; in October, 1966, Pennsylvania Electric Co. Bonds were offered at 6.05 per cent; in January, 1967, Virginia Electric & Power sold bonds at 5.11 per cent and at the end of February, 1967, Chesapeake & Potomac Tel Co. Bonds were offered at 5.55 per cent. Today, San Diego Gas and Electric Bonds are being offered to yield 5.32. These bonds are all comparable so you can see the swing in the market this past year.

The economy seems to be slowing down after six years of boom. Restraint by the Federal Reserve Board last summer seems to have curbed the excesses. Investment in plant and equipment and also inventory seems to have slowed down. The ratio of business loans to bank reserves has recently been liberalized by the Federal Reserve Board to cover any danger of further depressing the economy but a slow-down still seems to be taking place. Forecasts for 1967 are still high with a 6.8 per cent increase in GNP anticipated but the rise for 1966 was expected to finalize at 8.7 per cent. The \$50 billion increase in 1967 will still be higher than the increases of 1964 and 1965. It would seem then that interest rates will continue on a down trend and be fairly stable through the rest of the year (depending also on Viet Nam).

Mortgage money throughout the nation is still very tight and in Montana the reaction has been to stop building almost entirely. People are either not aware that money is available or they are reluctant about the high rates. We have had but very few offerings. The competitive discount on 6 per cent FHA mortgages seems to be 4 per cent.

Since the last meeting we have made the following investments:

Mortgages

Guaranty Company, Billings	\$ 142,000	5 3/4	@ 96
Guaranty Company, "	53,000	6	@ 96.95 & 93 1/2
1st State Bank, Whitefish	9,665	6	@ 94
J. L. Cooper & Co., Missoula	78,000	6	@ 94 & 95
Western Montana Bank, Missoula	23,350	6	@ 93
1st Nat'l Bank, Helena	31,680	6	@ 96
Streeter Brothers, Billings	49,800	6	@ 96
Union Bank & Trust Co., Helena	120,000	5 1/4-5 1/2	@ 93-94 1/2

Bonds

Export-Import Bank		\$ 150,000	@ par	5.10 Halsey Stuart & Wood Struthers
Grace Lines		100,000	@ par	5.10 J. Barth & Co.
Illinois Bell Tels	4 7/8 of 1997	50,000	@ 98.05	5.20 Halsey Stuart
Chesapeake & Potomac Tels	5 1/4 of 2005	75,000	@ 101 1/2	5.20 Halsey Stuart
" " " "	5 5/8 of 2007	120,000	@ 101.6	5.55 Kalman & Co.
Federal Nat'l Mrtge Assoc.	of 1/19/82	120,000	@ par	5.20 Halsey Stuart
Clinchfield RR Equip Trust	of 1/15/81	100,000	@ par	5.50 Pressprich & Co.
U. S. Treasury Bills	15 days	250,000		4.20 Blyth & Co.

Minutes, Retirement Board Meeting
May 20, 1967

The meeting was called to order at 10:00 a.m. by the Chairman, Mr. Whitney. In attendance were members, Mr. Gleason, Mr. Hayes and Miss Miller. The Secretary, Mr. McKinny, also present, reported Mr. Mitchell could not attend because of illness in his family and Mr. Young was on vacation.

The minutes of the March, 1967 meeting, having been in the hands of the members prior to the meeting, were approved following a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary presented his reports and they were ordered placed on file on a motion by Miss Miller and a second by Mr. Gleason.

The following payrolls for the third quarter of 1967 were approved in the following approximate amounts, not including any additions that may be approved later in the meeting, on a motion by Miss Miller and a second by Mr. Gleason.

Retirement	approximately	\$213,000.00
Office	"	3,530.00

The Board next considered the new business at hand and after a discussion of the "vested right" portion of the law and a review of an attorney general's opinion on the subject still felt that because of hardship to some members that a person should always be permitted to withdraw his contributions. Mr. Hayes then moved the Secretary request another opinion of the Attorney General's office to see if the law was being interpreted correctly. Mr. Gleason seconded the motion which was approved.

The Secretary then discussed the present law regarding out-of-state service and the law taking effect the 1st of July. Under present law a teacher with 10 years of service may purchase up to ten years of out-of-state service. The new law reduced both figures to 5 years. After a complete discussion, Mr. Hayes moved that a teacher wishing to purchase out-of-state service must become qualified under present law to purchase more than five years of out-of-state service. Mr. Gleason seconded the motion which was unanimously approved.

The Board again turned to the problem of whom should be members of The Teachers' Retirement System. Because of the many different programs now in operation, the Secretary was instructed to contact the Director of Certification and the Director of the Title II and ESEA Programs for further information and took the temporary position for budget purposes that any person holding a position requiring a certificate Class 4 and temporary certificates should be a member of the System.

The following salaries for the office staff for the fiscal year 1967-68 were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

McKinny, J. Hugh	\$11,000.00
Schneider, Thomas E.	8,800.00
Didriksen, Naomi	5,160.00
Wilcox, Elsie R.	5,160.00
Morris, Dorris	5,460.00
Ramberg, Margaret	3,930.00
Baird, Virgie	4,500.00

The request of the Secretary to purchase the following equipment was unanimously approved on a motion by Mr. Hayes and a second by Mr. Gleason:

1 Executive chair	\$ 130.00
2 10-Key Burroughs Adders, less trade	358.00
4 Super File, file cabinets	625.00
1 Check Protector & Signer, less trade	357.00

The following budget for the operation of the System for the fiscal year, 1967-68, was presented by the Secretary. After a discussion of investment services, Miss Miller moved the Secretary be permitted to spend between \$2,400-\$2,800 for additional investment services with Moody's, Inc. as included in the figure to be spent for contracted services and that the budget be approved. Mr. Hayes seconded the motion which was approved.

	<u>1967-68</u>
Salaries	\$44,070.00
Benefits	3,230.00
Supplies	3,050.00
Communication	3,850.00
Travel	3,400.00
Contracted services	8,775.00
Special Fees	5,500.00
Maintenance	2,200.00
Equipment	<u>1,470.00</u>
	\$75,545.00

The following applications for disability benefit were approved on a motion by Miss Miller and a second by Mr. Hayes:

1. Maxine E. Bailey	Flathead County
age 52	MS: 12 yrs.
loss of voice	ASF: \$2,769.93
	Average salary 6,941.66
	<u>Benefit: \$144.62</u> (Feb., 1967)
2. Genevieve Boettcher	Lake County
age 58	PS: 10 yrs.- MS: 13 yrs.
loss of vision	ASF: \$2,844.90
	Average salary 5,058.33
	<u>Benefit: \$124.65</u> (July, 1967)
3. Caroline F. McCarthy	Silver Bow County
age 54	MS: 18 $\frac{1}{3}$ yrs.
heart trouble	ASF: \$5,971.88
	Average salary 7,282.88
	<u>Benefit: \$151.73</u> (July, 1967)
4. Angela S. Tennant	Dawson County
age 59	PS: 6 yrs. MS: 23 yrs.
loss of vision	ASF: \$3,481.68
	Average salary 4,566.67
	<u>Benefit: \$141.89</u> (July, 1967)

The following applications for retirement benefit were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

	County	age	PS	MS	Av. Salary	Benefit	opt.
1. Ahlert, Izetta F.	Phillips	60	7	20 7/9	\$4,508.33	\$111.86	1
2. Anderson, Elsie E.	Sanders	65	8 $\frac{1}{3}$	27	6,128.00	199.74	1
3. Boileau, Violet M.	Msla	65	10	29	8,383.00	284.50	1
4. Boschker, Hermine M.	Ystone	65	3/4	16	7,051.67	101.52	1
5. Brierley, Florence	Ystone	62	11	30	7,533.33	267.82	2
6. Brownfield, William	Ystone	63	9 $\frac{1}{2}$	30	7,534.67	258.17	2
7. Cleveland, Jeanette	Carter	65	7	25	4,816.60	146.01	1
8. Colvill, Frances J.	VR, U of M	60	6	9 $\frac{1}{2}$	2,675.00	43.71	1
9. Comte, Genevieve	Ystone	67	15	17	7,433.33	248.65	1
10. Damon, Maude	Lincoln	70	7	28	7,505.00	245.99	1
11. Evenson, Estelle	Big Horn	64	8	24 $\frac{1}{4}$	6,828.50	205.00	1
12. Fitch, Jean E.	Big Horn	64		16	6,738.33	96.98	1
13. Fjeldstad, Florence O.	Park	70	17	30	6,528.00	270.26	1
14. Gardiner, Margaret C.	Valley	65	10	23	5,483.33	177.66	1
15. Garey, Jane M.	Flathead	63	10	14	7,471.67	181.33	1
16. Gibbons, Kathleen	Ravalli	61	10	14 $\frac{1}{2}$	4,108.33	98.64	1
17. Gillette, Holdine K.	Cascade	65	9 $\frac{2}{3}$	30	6,375.00	215.35	1
18. Harper, Katherine	Lewis & Clk	62	10	30	5,158.33	176.88	2
19. Heath, Rebecca E.	Richland, VR	60		19	6,066.67	95.70	1
20. Heberle, Lloyd	Broadwater	62		23	6,543.33	132.29	1
21. Helland, Ann	Ystone	61	12	30	7,533.33	288.81	1
22. Horn, Lorna M.	Custer	60	2	13	4,230.00	55.23	2
23. Hill, Florence M.	Powell	70	21 $\frac{1}{2}$	30	5,666.67	269.35	1
24. Hunter, Florence	Blaine	66		28 $\frac{1}{2}$	6,558.33	152.07	1
25. Johansson, August R.	MSU	66	12	28	9,618.33	280.00	3
26. Johnson, Dorothy M.	U of M	61		13	Minumum ben.	37.14	1
27. Jorgenson, Ruth L.	Ravalli	63	13	30	6,346.67	244.43	1
28. Kuhnes, Ralph E.	Msla	62	6	25	7,523.33	214.96	1
29. MacKenzie, Wilma	Msla	64	5	25	7,523.33	201.43	1
30. McGowan, Amy M.	Ravalli	65	5	22	4,156.00	105.25	2
31. Matkin, Lura	Valley	63	8	20	4,563.00	128.37	1
32. Mell, Neville T.	Richland	66		20	4,133.33	79.15	1
33. Miller, Edith E.	Flathead	62	9	30	8,240.00	279.40	1
34. Mondt, Edith G.	Ystone	68		27	7,360.00	160.12	2
35. Scovil, Beulah K. Morris	Cascade	63	4 7/9	30	8,183.33	246.17	1
36. Motschenbacher, Elsie	Daniels	65	13 $\frac{2}{3}$	11	4,256.66	51.73	1
37. Nesting, Iva M.	Ystone	66		21	7,383.33	133.13	1
38. Omundson, Theresa H.	Valley	62		22	5,646.67	107.65	1
39. Rodgers, Alice K.	Glacier	62	9 2/9	30	7,455.00	254.15	1
40. Scovil, R. J.	Cascade	63	9	30	7,983.33	279.07	1
41. Shirley, Alice F.	Ystone	62		23 2/9	7,233.33	131.09	1
42. Sorenson, Thora	U of M	70	23 $\frac{2}{3}$	30	10,800.00	490.91	2
43. Williams, Laura K.	Rosebud	63	13	9	5,865.00	129.66	1
44. Williams, Lillian	Dawson	65	12	9	6,000.00	133.42	1
45. Burnett, Bertie	Hill, VR	67	16	6	2,840.00	68.86	1
46. Church, Margaret C.	Lincoln	65		28	7,240.67	163.52	2
47. Fuller, Thelma M.	Daniels	62		16	4,913.33	68.05	1
48. Loucks, Henrietta	Cascade	65	8 1/6	14	5,933.33	133.33	1
49. Miller, Anna F.	Custer	70	13 $\frac{2}{3}$	15 $\frac{1}{2}$	4,358.33	69.05	1
50. Ostrom, Margaret B.	Cascade	64		28 $\frac{1}{4}$	10,050.00	212.65	2
51. Rydeen, Mabel	Lake	62	1	11	4,566.67	49.36	1

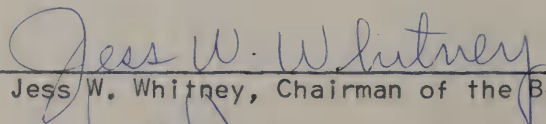
52.	Warburton, Ruth E.	Ystone	69	16	29	7,631.66	242.52	5
53.	Watkins, Helen H.	Richland	65	1 $\frac{1}{2}$	13	7,000.00	91.30	1
54.	Weir, Marie E.	Big Horn	70	12	7/9	6,738.33	187.67	3
55.	Moser, Dexter H.	VR, MSU	60	5	9	2,333.33	40.00	1
56.	Davis, Ailie.	VR, Powell	60	10	8 $\frac{1}{2}$	4,142.60	80.99	1
57.	McCay, Carrie D.	Garfield	65	3	18 $\frac{3}{4}$	3,825.00	76.55	1
58.	Young, Thelma F.	VR, Hill	60	12	8	4,105.00	86.79	1
59.	Young, Nettie	Glacier	70	4 $\frac{2}{3}$	8	4,700.00	60.69	2
60.	Stands, Florence M.	VR, Park	60	3	21 $\frac{1}{2}$	3,585.00	75.74	2
61.	Ward, Arthur B.	VR, St. Dept.	60	3	11	5,055.33	63.97	2
62.	Ford, James L. C.	VR, U of M	60		17	5,000.00	77.61	1
63.	Ijams, Alta S.	VR, Slvr Bow	60	8	10 $\frac{1}{2}$	2,926.67	56.68	1
64.	Durham, Julia A.	Madison	66	6	24	5,366.67	147.17	2

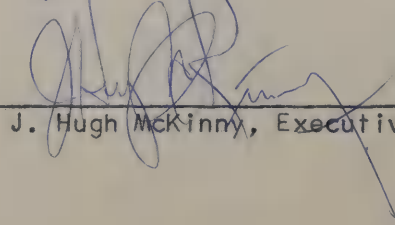
The following applications for survivor's benefits were approved on a motion by Miss Miller and a second by Mr. Gleason:

- | | |
|---|---|
| <p>1. Dorothy R. Copping
age 51
<u>Benefit: \$255.68 + \$100</u>
(7/1/67)</p> | <p>Survivor of Bernard Copping, MSU
age 54, PS: 1 yr. MS: 29$\frac{2}{3}$ yrs.
ASF \$9,741.04
Average salary 13,300.00</p> |
| <p>2. Roberta Anderson
age 33
<u>Benefit: \$122.32</u>
7/1/67</p> | <p>Survivor of Dorothy Tabish, Msia Co.
Age 57
PS: 4yrs. MS: 25yrs.
ASF: \$6,282.59
Average salary 7,523.33</p> |
| <p>3. Gloria Sherman
age 42
<u>Benefit: \$117.98</u>
(2/1/67)</p> | <p>Survivor of Annabelle Davis, Gallatin
age 44
MS: 23$\frac{1}{2}$ yrs.
ASF \$6,082.02
Average salary 6,913.33</p> |

The Board next turned to its organization for the next fiscal year. Mr. Hayes moved that Mr. Whitney be retained as Chairman. Miss Miller seconded the motion which was unanimously approved. Mr. Gleason then moved that Miss Miller be retained as Vice-Chairman. Mr. Hayes seconded the motion which was approved. Miss Miller then moved that the Secretary be instructed to write to the Governor on behalf of the Board requesting the reappointment of Mr. Hayes to another term of office on The Teachers' Retirement System Board. Mr. Gleason seconded the motion which was unanimously approved.

The next meeting was set for 9:00 a.m., Saturday, September 9, 1967, and the meeting adjourned at 12:25 p.m. on proper motion and second.


Jess W. Whitney, Chairman of the Board


J. Hugh McKinny, Executive Secretary

Investment Report
May 20, 1967

Interest rates since January had been slipping until they reached a low of 5.30 for high-grade bonds by the end of March. Since then they have been moving up and last week a TVA offering sold to yield 5.70. The discount on FHA loans slipped to 1 per cent and there was talk in April of reducing the rate to 5 3/4 from 6.0. Tuesday I called some of the agencies making loans to tell them we would have to have 3 per cent. I found out yesterday that Metropolitan Life wired their agencies the same news on Wednesday. Conventional mortgage paper will have to be at least 6.75 with prepayment penalties.

Corporate financing the first six months of this year will total \$7 billion. Last year was a record year with an estimated \$9 billion total. A great many people look for rates to drop during the last half of the year as the demand for money should drop. To offset this "optimistic" thinking, the Treasury Department will ask Congress for permission to take the restriction off of the 4.25 per cent ceiling for U. S. Treasury long bonds and offer \$2 billion long bonds to the market. These will have to be 5 per cent at least making their notes 5.25 to 5.50. This would look very attractive but for my thinking the Treasury is pretty smart and they are not looking for rates to drop very much even for mid-term bonds or they wouldn't want to finance long now.

The balance of payment problem and the Viet Nam war are still with us and I assume we will have 600,000 in Viet Nam before long so I just don't see how the rates can fall.

Since the last meeting we have purchased the following bonds and mortgages:

\$ 150,000	Shell Oil Company	5.30	of 2/15/92	Kalman & Co. and Halsey Stuart
200,000	ACF Equip Trusts	5.50		Pressprich & Co.
200,000	St. Louis & SF Equip Trusts	5.50		Dick & Merle Smith
100,000	Eaton, Yale & Towne Inc.	5.50		Kalman & Co.
150,000	General Electric Debs	5.30		Halsey, Stuart & Salamon Bros.
200,000	Borg Warner	5.50	of 1992	Piper, Jaffray & R. W. Pressprich
100,000	Honeywell	5.60	of 1992	W. E. Hutton & Co.

Mortgages

\$ 45,000	Streeter Bros	4.0	
30,000	Western Montana	3.0	
150,000	Piper, Jaffray & Hopwood	5.75	(Martin Luther Tower)

Executive Secretary's ReportMay 20, 1967

The System is now completing its 30th year of operation. We have come from a meager existence of relying on the legislature to a \$40 million financial institution. At that size, we are larger than most of the banks in Montana. We have a way to go to catch the Security Bank of Billings though (\$69 million). The records do not show how many teachers we covered in 1937 but we are now at 11,750. We inherited 230 retired members which has been increased by 1,600. Of the 230 retired in 1937, we still have 17 of the original group. They have an average age of 88.5; the oldest is 95 and the youngest 82. Nine of them are 90 or older. The only area that hasn't increased a great deal is in employees. They had four full-time people with additional NYA part-time help and we now have seven full-time people. The only area of decrease is in the number of reporting units. We have lost in excess of 400 school districts. We have also paid out \$27 million in benefits which should have helped the state's economy and helped many retired teachers.

As yet, I have nothing to report on the purchase of the MAA building. They cannot decide just what they want to do. They don't want to give up the location but they need more space. Mr. Erickson hopes they will have decided by the 1st of July.

We are up to date in our work load and the requests for withdrawal forms has really picked up. This, along with applications for retirement benefits, is the sure sign of spring even though the weather may be bad. We have sent out over 110 applications for retirement and have about 50 ready for this meeting. I haven't figured any of the averages as it is a little too early for meaningful figures.

We have done more traveling in the last two months than in any other period since I have been here. Tom did a lot of traveling for me in the eastern part of the state. In one week he spoke and did estimates in Columbus and Grass Range and spoke in Billings and to the Columbus rural teachers. He also spoke at Eastern and did estimates in the Billings schools for four days. I spoke at Plains and Superior, to the Missoula rural teachers at Lolo, the Cascade rural teachers in Great Falls, and to the teachers in Brady and Great Falls. I also did estimates in Great Falls for two days. I spoke to both MSU and the U of M faculties and I did estimates for two days on both campuses. I attended the Executive Committee meeting of the NCTR in San Francisco and the Advisory Committee meeting of the Stanford Investment Program in Salt Lake City. We don't have any speeches in the offing but we will have to check the escrow balances at the banks in June.

I have been informed that the Bank Examiner's office will examine our books this year as the Legislative Audit Committee cannot get into action soon enough.

Minutes, Retirement Board Meeting
September 9, 1967

The meeting was called to order by the Chairman, Mr. Whitney at 9:00 a.m.. In attendance were members Mr. Gleason, Mr. Hayes and Mr. Mitchell along with the Actuary, Mr. Young and the Secretary, Mr. McKinny. The minutes of the May 20 Board meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary presented his reports and reviewed the financial statements and they were ordered placed on file on a motion by Mr. Mitchell and a second by Mr. Hayes.

The following monthly payrolls of the last quarter of 1967 were approved on a motion by Mr. Gleason and a second by Mr. Mitchell:

Retirement	approximately	\$235,250.00	per month
Office	"	3,650.00	per month

The Board next turned to the old business at hand and again discussed the right of a teacher to withdraw an account that had vested right privileges. The Secretary reported the Attorney General's office suggested that a member should be allowed to withdraw any time as the phrase "...without right of revocation..." referred to the System and not the member. After further discussion, Mr. Hayes moved that any member regardless of how long he/she had been out of teaching in Montana, could withdraw his/her account upon proper application. Mr. Mitchell seconded the motion which was unanimously approved.

Again, the Board returned to its past discussion of membership of school employees under Federal programs where money is first paid to the district by the Federal Government and then in turn paid to the employee. After considerable discussion, Mr. Hayes moved that any school employee who was actually teaching and did not presently belong to PERS must be a member of the Teachers' Retirement System and make the normal contribution to the Teachers' Retirement System. Mr. Mitchell seconded the motion which was unanimously approved.

The Board next turned to the new business at hand and Mr. Gleason moved that Mr. McKinny attend the National Council on Teacher Retirement Convention in Houston, October 8-13, 1967. Mr. Hayes seconded the motion which was approved.

A discussion on investment in privately owned school buildings was tabled as the contractor did not appear to explain the investment.

The Board next reviewed the interest earnings for 1966-67 and the Secretary reported the earnings on total assets to be 4.85 per cent. Mr. Mitchell then moved the interest rate be raised to 4.5 per cent on teachers' contributions and that interest be calculated on current contributions and

old balance. Mr. Gleason seconded the motion which was approved.

The Board then turned to a discussion of the payment of interest earnings to retired teachers. Mr. Mitchell moved that the annual payment be made as of July 1, 1967, with interest to be figured on the difference between 3 per cent and 4.25 per cent of the amount credited to teacher accounts on that date and, if at all possible, payment to be made in December of 1967. Mr. Hayes seconded the motion which was approved.

The following applications for retirement benefits were approved on a motion by Mr. Gleason and a second by Mr. Hayes:

	county	age	PS	MS	av. salary	benefit	opt.
1. Aamoth, Lillie	St. Dept.	67	8	25	\$ 7,033.33	\$219.52	1
2. Anderson, Avis S.	VR, Ystone	60	2	11	4,233.33	51.67	1
3. Barrett, Margaret D.	Wibaux	60		19 $\frac{1}{2}$	4,083.33	63.61	1
4. Bergum, Theodore M.	Fergus	66	8 $\frac{1}{2}$	38 $\frac{1}{2}$	7,620.83	255.89	2
5. Chenault, Naomi	Flathead	65	12	30	4,800.00	184.40	1
6. Gladys E. Cline	Dawson	62	11	30	8,823.33	315.20	1
7. Coe, Helen E.	Flathead	62	14 $\frac{1}{3}$	29	4,783.33	197.82	1
8. Connelly, Florence H.	Silver Bow	65	4	14 $\frac{1}{2}$	4,416.67	84.43	5
9. Cosgriffe, Caroline R.	Wheatland	66	7	21 $\frac{1}{2}$	5,916.67	156.66	1
10. Day, Vernon P.	Flathead	65	2 $\frac{1}{2}$	30	8,675.33	198.19	5
11. Dick, Esther F.	Dawson	61	13	10	4,200.00	99.37	1
12. Dickson, Joseph L.	Wheatland	60	11 $\frac{1}{4}$	26	8,008.33	280.16	1
13. Dippy, Anne C.	Blaine	62	11 $\frac{1}{3}$	30	4,766.67	169.26	1
14. Dolan, Rosemary	Silver Bow	61	8	20	4,600.00	124.71	1
15. Finch, Vera E.	Gallatin	67	15	30	4,730.00	193.91	1
16. Gerdes, Florence W.	Msla	65		30	8,311.67	199.74	1
17. Gilbert, Gertrude F.	Ystone	66	13 $\frac{1}{2}$	30	4,800.00	185.27	1
18. Guilio, Isabelle S.	St. Dept.	66		19	minimum ben.	51.46	2
19. Grund, Alma T.	Chouteau	66	15	19	4,650.00	156.50	1
20. Haas, Dolores	Stillwater	64	2	15 $\frac{1}{3}$	4,100.00	66.49	1
21. Hardgrove, Carrie B.	Jefferson	67	7	11	4,683.33	87.77	1
22. Harger, Henry N.	Stillwater	66		14 $\frac{2}{3}$	4,383.33	54.37	1
23. Heagy, Lydia E.	Toole	64		15 $\frac{1}{2}$	3,162.73	75.44	1
24. Hoffman, Irene M.	Custer	61	10	25	7,871.67	253.11	1
25. Howard, Janette	Missoula	60	6	24	4,926.67	134.14	1
26. Humiston, Byrle C.	Teton	61		14	5,516.67	69.36	1
27. Hunt, Helen T.	Flathead	63	2	25 $\frac{1}{2}$	6,854.67	163.68	1
28. Irish, Ruth M.	Lake	70	1	12	4,010.00	49.76	1
29. Isaac, Evelyn T.	Custer	60	6	23	7,828.00	201.25	1
30. Keyes, Earl R.	Silver Bow	63	11 $\frac{1}{2}$	20 $\frac{1}{2}$	7,939.00	205.11	5
31. Larson, Mildred	Richland	62	5	11 $\frac{1}{3}$	6,350.00	105.72	1
32. Lievsay, Goldie K.	Vested Rt.	62	8	8 1/5	3,833.33	65.65	1
33. Lochridge, Helen	Stillwater	62	2	19	4,440.00	80.45	2
34. Low, Daniel S.	Missoula	64		16	8,225.00	119.91	1
35. McIver, Valborg H.	Ystone	67	9	30	7,433.33	246.79	1
36. McMaster, William J.	Silver Bow	62	11	30	8,266.93	283.60	1
37. Miller, Ethel K.	Flathead	65		23	7,880.00	153.95	1
38. Montgomery, Altha	Big Horn	63	14	30	4,315.00	171.43	2
39. Nelson, Eleanor F.	Ystone	65		20	4,533.33	82.09	1

40.	Nichols, Esther	Custer	66	17 2/9	30	7,455.00	315.65	1
41.	Nixon, Olga	Uncl.	62		15	3,933.33	94.67	1
42.	Nordstrom, Otto H.	Flathead	64	10 $\frac{1}{3}$	30	7,385.00	183.65	3
43.	Nordstrom, Ruth M.	Flathead	62	10	16 $\frac{1}{2}$	7,291.33	164.66	3
44.	North, Ethel E.	Fallon	64		18	4,775.00	76.00	1
45.	Opp, L. E.	MSU	62	9	28	12,166.67	320.17	4
46.	Parsons, Edmund A.	Cascade	65		33	7,983.33	181.04	5
47.	Parsons, Lorine E.	VR	61	8	12 $\frac{1}{2}$	5,000.00	108.76	5
48.	Powers, Pearl S.	Gallatin	63	9	19 $\frac{1}{2}$	5,433.33	152.18	1
49.	Randolph, Mildred R.	Ystone	62		18	7,513.33	117.47	1
50.	Rovig, Eva	Daniels	63	5	15	4,183.33	81.24	1
51.	Rudd, Bernice	Richland	69		17	7,000.00	113.04	1
52.	Saunders, Florence E.	Msla	62	9 $\frac{1}{2}$	18 1/9	5,990.00	156.79	2
53.	Schofield, Jennie E.	Deer Lodge	68		17	6,811.08	108.21	1
54.	Schow, Mildred E.	Carter	66	12 $\frac{1}{2}$	12	6,500.00	158.06	1
55.	Sherwin, Thomas H.	VR, Ravalli	60	4	7	minimum ben.	30.41	2
56.	Sletten, Beatrice	Msla	60	9	15 $\frac{2}{3}$	7,523.33	175.20	1
57.	Smiley, Gertrude	Liberty	62	4	20	4,703.33	110.36	1
58.	Stainsby, Hazel	Cascade	67	5	30	9,533.33	290.66	1
59.	Sweeney, Juanita L.	Silver Bow	67	1 $\frac{1}{2}$	16	5,107.83	76.83	1
60.	Taylor, Helen M.	Silver Bow	64	5	20	5,995.33	144.86	1
61.	Taylor, Della Lee	Cascade	66	16 1/9	9 $\frac{1}{2}$	minimum ben.	73.33	1
62.	Thomas, Adaline G.	Fergus	65	2	23 1/9	7,233.33	161.16	1
63.	Tusler, Irene M.	Prairie	64	14	29	5,458.33	203.44	2
64.	Wagnild, Ruth	Cascade	68	7	14 2/9	7,016.67	146.53	1
65.	Watson, Mildred S.	Gallatin	61	11	7	4,233.33	80.47	2
66.	Wenz, Frances M.	Ystone	69	19	30	7,533.33	327.88	1
67.	Altimus, Laura M.	Ystone	60	9 1/3	30	7,631.67	261.83	2
68.	Secrest, C. H.	VR, L & Clk	60	11 $\frac{1}{3}$	5	minimum ben.	45.80	2
69.	Farnsworth, Robert B.	Cascade	66	10	20	15,133.33	421.24	1
70.	Holm, Beulah	Richland	66	1	15	4,025.00	60.48	1
71.	Hoskinson, Scott A.	Sweet Grass	60	7	30	7,441.67	244.60	2
72.	Huffine, Doris	Flathead	62		7	4,425.00	27.16	1
73.	Huseth, Grace S.	Cascade	64	14	30	7,750.00	305.23	1
74.	Jaten, Gladys Z.	VR, Western	62	17 $\frac{2}{3}$	4 $\frac{1}{3}$	3,000.00	75.34	1
75.	Jankowski, Gladys M.	L & Clk	64		14	5,498.33	71.44	1
76.	Logan, Bernadine P.	VR, Sheridan	60	5	11	5,200.00	84.62	1
77.	Merry, Irene	McCone	62	4	25 $\frac{1}{2}$	4,950.00	128.03	1
78.	Mowery, R. F.	Gallatin	64	10	30	7,790.00	241.37	4
79.	Rasmusson, Robert F.	St. Univ, VR	60	8	9	3,750.00	66.77	2
80.	Roehm, Irene V.	Uncl.	66	1	11	3,933.33	45.61	1
81.	Tonkin, Lela H.	Dormant, PAF	63		13	4,546.33	45.10	1
82.	Preston, Florence	Big Horn	66		20 3/4	6,828.33	118.39	1
83.	Linse, Grace	Lake	66	8	24	7,213.33	214.60	1
84.	Drew, Marian	Park	60		26	6,100.00	129.40	1
85.	Carlson, Burton R.	VR, Carbon	60		12	3,923.33	41.38	1
86.	O'Conner, Harriet K.	Msla	66		18	7,383.33	115.85	1
87.	Knuti, Leo L.	MSU	63	3	29	14,733.33	305.81	5
88.	Peltola, Harry W.	VR, Chouteau	60	11	8	3,376.67	69.06	1
89.	Niblack, Stephen	VR,	60	6	19	5,000.00	87.16	3
90.	Grandchamp, A. D.	VR, Park	60	6	13	4,565.00	87.33	1

The following applications for survivor's benefits were approved on a motion by Mr. Mitchell and a second by Mr. Hayes:

The following applications for survivor's benefits were approved on a motion by Mr. Mitchell and a second by Mr. Hayes:

- | | |
|---|---|
| 1. Margaret C. Chinske
age 59
<u>Benefit: \$223.82</u>
7/1/67) | Survivor of Edward Chinski, U of M
age 61
ASF \$9,452.81
Average salary 8,100.00 |
| 2. George Olson
age 60
<u>Benefit: \$233.95</u>
(7/1/67) | Survivor of Kathryn Olson, Msla Co.
age 53
ASF \$6,983.95
Average salary 7,153.33 |

The following applications for disability benefits were approved on a motion by Mr. Gleason and a second by Mr. Mitchell:

- | | |
|--|---|
| 1. Effie Pentz
age 58
(heart)
<u>Benefit: \$152.19</u> | Roosevelt Co.
MS - 19 yrs.
ASF: \$5,777.32
Average salary 7,350.00 |
| 2. Marian A. White
age 58
(hearing loss)
<u>Benefit: \$95.63</u> | Mineral County
PS, 7 yrs. MS, 14 yrs.
ASF: \$3,430.55
Average salary 4,250.00 |
| 3. Vera C. King
age 54
(nervous condition)
<u>Benefit: \$106.81</u> | Hill County
MS - 12 yrs.
ASF: \$2,942.39
Average salary 5,126.67 |

The date of the next Board meeting was set for Saturday, December 9, 1967, at 9:00 a.m., and the meeting adjourned at 12:35 on proper motion and second.

Jess W. Whitney

Jess W. Whitney, Chairman of the Board

J. Hugh McKinny

J. Hugh McKinny, Executive Secretary

Executive Secretary's Report
September 9, 1967

We had a good group of retirements to run our averages on this summer--152. This, of course, exceeds any previous year and we can suspect that some didn't retire to get three years at full average salary. This year the average of retirement was just below sixty-four while in all previous years it has been just above. The average number of years of service was 27 with $6\frac{1}{2}$ years prior service. The average salary was \$6,098 and the average check regardless of option was \$152.60 which exceeds last year by almost \$10. Of the 1,840 now on retirement, the average check is \$127.86 compared to \$125 on the 1,704 on retirement July 1.

The Bank Examiner's office, with the full written permission of the Legislative Audit Committee, started our annual audit after July 1. They checked over the bonds and the teacher's accounts and then, because of a squabble over who pays who, they stopped, and since the Legislative Audit Committee now has no money for this biennium, we won't have another examination until 1969 at least. This Committee was set up, you understand, to prevent all this hanky panky. Even when it does get operating, we will only be examined once every two years instead of once a year as the Bank Examiners did.

I had a good discussion of our vested right clause with the Attorney General's office. The attorney with whom I talked is very firm in his belief that a teacher can take out his funds and cancel the vested right any time he feels like it. The phrase in the law "...without right of revocation..." refers to the System and not to the teacher. He was at first very happy to write an opinion on this but a couple days later called and felt that probably Mr. Anderson would not sign an opinion which might be construed as over-ruling an opinion of Mr. Olsen's. He advised that we take his interpretation and proceed to let anyone with a vested right withdraw if he so wished for he could find no way to defeat us if someone on a vested right sued us to get their money.

The additional cost of employing Moody's as our investment Council was \$2,730. The total cost for all their services will be \$3,300 increasing between \$100-\$200 depending on how fast our bond portfolio increases. They started the 1st of September and will have reports to us at the end of each quarter. The adviser's name is Lee Martyn and at the present time we expect to get together in Houston next month. He also advises the Colorado System and Mr. Kennedy of Colorado is very pleased with his services.

This summer's work has been extremely heavy. We have refunded over \$700,000 to 900 teachers these past three months. Correspondence has been very heavy; everyone seems to be getting his house in order. This, of course, is the interest caused by a successful legislative year. We have already had our first trip. Tom talked to the Jefferson County teachers the 1st of September.

We plan to have Sections at four of the MEA Conventions; two are now firm and two are in the process.

Investment Report
September 9, 1967

With school starting again and money soon starting to flow, we will soon be back in the market. The purchases listed below were all made in June from last year's income.

Bank of Baker	\$ 50,000.00
Guaranty Company	117,500.00
Western Montana Bank, Missoula	71,000.00
1st National Bank, Kalispell	41,700.00
J. L. Cooper & Co.	32,300.00
1st Nat'l Bank, Whitefish	19,500.00

All of these were purchased at 3 per cent discount except the Western Montana Bank at 2 per cent.

Bonds bought in June were:

Philadelphia Electric	5 3/4	of 1977	\$100,000	R. W. Pressprich Co.
Bristol Myers Debs	5.7	of 1996	75,000	J. Barth & Co.
N. P. Railroad Trust Certificates	5.75	of 1982	245,000	Dick & Merle Smith Co.

These issues were bought at par with 10-year call protection, except 15 years on the Equipis.

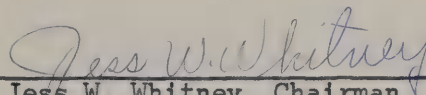
The bond market continued to deteriorate throughout the summer and interest rates continued to rise. The high rates that panicked the market in the summer of 1966 were exceeded this summer. Late in August, Alcoa, an AA Company, sold 10-year non-call bonds at 6.07 per cent to show a $\frac{1}{4}\%$ increase in interest over the AA Bristol Myers in June. Five-year non-call bonds were at the 6.20 level and bonds with no call protection sold to yield in the 6.30-6.40 range. These high rates have been caused in part by an exceedingly heavy demand for long-term financing and this is expected to remain high through the rest of 1967.

The mortgage market will, I think, start to pick up this year. Last year it was very slow. Our net holdings increased only \$741,000 over June of 1966 while the increase the year before was \$1,140,000. The run-off of last year was \$1,200,000 which was \$200,000 less than each of the preceding years. Even with an increase in activity we will get 4 per cent discount at least through the next quarter. As yet, we have not purchased any conventional mortgages but the rates are now 6 3/4 per cent which would net $6\frac{1}{4}$ to us which is about 10-15 basic points higher than an FHA loan at 4 per cent with a 10-year life.

December 9, 1967

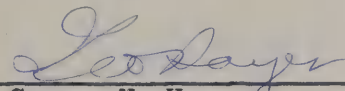
Resolution No. 45

BE IT RESOLVED that the interest rate of four and one half per cent ($4\frac{1}{2}\%$) be allowed on the annuity savings funds of The Teachers' Retirement System and that the Actuary be instructed to use an interest rate of four per cent (4%) together with the 1965 mortality and disability and withdrawal assumption to determine the amounts of the reserves for all active members and that the three per cent (3%) 1937 standard annuity tables be the basis for reserves for all retired members.




Jess W. Whitney, Chairman

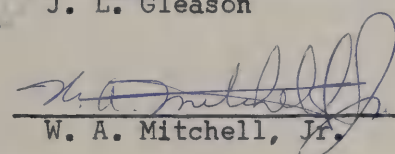
Harriet E. Miller



George H. Hayes



J. L. Gleason



W. A. Mitchell, Jr.

Minutes, Retirement Board Meeting
December 9, 1967

The meeting was called to order at 9:00 a.m. by the Chairman, Mr. Whitney.

In attendance were members, Mr. Gleason, Mr. Hayes and Mr. Mitchell. Miss Miller was attending a reading workshop and was unable to attend. Also attending were Mr. Young, the Actuary and Mr. McKinny, the Secretary.

The minutes of the September 9th meeting were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Executive Secretary's work report, the investment report and the financial report were ordered placed on file on a motion by Mr. Gleason and a second by Mr. Mitchell.

The payrolls in the following approximate amounts were ordered placed on file on a motion by Mr. Hayes and a second by Mr. Mitchell:

Retirement	approximately	\$235,500.00 per month
Office	"	3,592.50 per month

Mr. Gleason's request for his expenses at the MEA Convention in Billings was approved as he had filled in for Mr. McKinny at a meeting of the Retired Teachers' Association and had assisted at the sectional meeting on retirement in the afternoon. The motion was made by Mr. Mitchell and seconded by Mr. Hayes.

The Board next considered Mr. Donald Ryerson's request to purchase, as out-of-state service, the three years he spent under Civil Service working for the Extension Service at Montana State University. Mr. Mitchell moved that since Mr. Ryerson had an active account with the System dating prior to his employment with the Extension Service and since he was employed in a professional capacity, that his request be approved. Mr. Hayes seconded the motion which was approved.

Next, the Board considered the request of the First National Bank of Butte for a Servicing Agreement to sell the System guaranteed mortgage paper. Mr. Gleason moved that the Secretary be instructed to secure the proper signatures on our standard Servicing Agreement. Mr. Mitchell seconded the motion which was approved.

The Board next considered the Secretary's request for permission to purchase an E6000 Electronic Accounting System from the Burroughs Corporation. After a thorough discussion on work load, machine capacity, expansion, leasing and maintenance, Mr. Hayes moved that the Secretary be instructed to request the Budget Director to approve a supplemental request for money to permit the purchase of the E6000. Mr. Mitchell seconded the motion which was approved.

All action on the possibility of investment in an office building was

postponed to the next meeting.

The following application for survivor's benefits was approved on a motion by Mr. Hayes and a second by Mr. Mitchell:

Anita E. Nelson

age 42

Benefit: \$66.73 a month

plus \$100 a month for

children under 18.

Survivor of Edwin L. Nelson, L & Clk Co.

age 46

PS $\frac{1}{3}$ yr. - MS $14\frac{2}{3}$ yrs.

ASF: \$4,048.41 Average Salary: \$6,729.33

The following applications for retirement benefit were approved on a motion by Mr. Mitchell and a second by Mr. Gleason:

	County	Age	PS	MS	Av. Salary	Benefit	opt.
1. Allison, Ruth H.	VR, Fergus	60		21	\$3,554.67	\$ 63.71	1
2. Chapple, Gladys A.	Yellowstone	62	2	8	6,946.67	64.52	1
3. Horvat, Alice B.	Fergus	63	11 5/9	17 2/9	4,216.67	118.21	1
4. Grandchamp, A. D.	VR, Park	60	6	13	4,565.00	87.33	1
5. Kramis, Margaret B.	Ravalli	62		10	6,826.67	59.34	1
6. McMaster, William J.	Silver Bow	62	11	30	7,778.20	288.54	1
7. Nickey, Louise K.	Broadwater	66	13	14 7/9	6,233.33	175.86	1
8. Young, Ruth H.	Carter	64		8	3,810.00	28.34	1
9. Kirch, Grace H.	Rosebud, VR	63	11	13	4,238.33	106.57	1
10. Freeman, Anna	Yellowstone	61	10	30	7,938.33	281.01	1
11. Dickson, Sylvia E.	Wheatland	60	$7\frac{2}{3}$	11	4,883.33	90.49	1
12. Swing, Edith C.	Lincoln	63	$2\frac{1}{2}$	24	4,483.33	109.25	1
13. Trafelet, Zella	Pondera	60	4	13	4,050.00	66.30	1
14. Kenyon, Alma	Yellowstone	68	$10\frac{2}{3}$	$30\frac{1}{3}$	7,733.33	268.99	1
15. Burlingame, Merrill G.	MSU	66	10	30	15,200.00	355.53	3
16. Cahill, C. R.	Valley	60	3	30	8,833.33	191.43	3
17. Knuti, Leo L.	MSU	63	3	27	14,733.53	305.81	5
18. Lallum, Gordon G.	Roosevelt	60		12	6,000.00	65.81	2
19. Ness, Mona B.	Toole	67	3	9	4,200.00	59.38	2
20. Wicks, Jean M.	Fergus	60	2	$15\frac{1}{2}$	6,250.00	86.46	2
21. Mayfield, Helen L.	MSU	66	6	$30\frac{1}{2}$	13,666.67	400.90	1

The March meeting was set for the 16th at 9:00 a.m. and the meeting adjourned at 12:10 on proper motion and second.

Jess W. Whitney

 Jess W. Whitney, Chairman of the Board

J. Hugh McKinny

 J. Hugh McKinny, Executive Secretary

Executive Secretary's Report
December 9, 1967

This has been a very hectic quarter. We have had an increase of over 500 teacher accounts. Our adjusted income is \$500,000 more than last year. The travel has been the most in any three-month period. Mrs. Didrikson has resigned after eight years and I was forced to discharge Mrs. Baird because of her health. Nothing seems to settle down.

Except for mortgage payments, our posting is up to date. The posting of teacher accounts is a bit slower this year because of the different sizes of payments. We will not get at the mortgages until next month when we get a new employee.

We have made all the calculations on our thirteenth check and they are being run now. The total amount to be paid is almost \$55,000. We are writing no checks for less than one dollar.

The National Council on Teacher Retirement Convention was held in Houston this year. It turned very political as we elected a new Secretary-Treasurer, Jack Kennedy of Colorado. The southern group was very disappointed and will probably give us a sad time in the future. They really play politics all the time but were very poor losers. As far as business was concerned, I gave about a 20-minute speech on: How to Determine and Accomplish Legislative Objectives and also headed a group discussion of chief administrators.

Our travel schedule reads more like a railroad time table. I was at Target Range September 21, Lewistown September 28, Houston October 8-13, MEA Conventions in Bozeman and Billings October 19-20, Kalispell November 4, Malta November 5, Spokane the 24th, Billings the 27th, Hamilton the 29th and I will go to Butte on Monday. Tom spoke here in Helena November 8 and in Chouteau on December 5. He was also at the MEA Conventions in Missoula and Great Falls.

Investment Report, December 9, 1967

The big news in the capital markets this quarter, of course, was the devaluation of the pound. For a few days this had a tremendous effect on the U. S. market but it has since settled back on the strength of the United States position to maintain gold at \$35 an ounce and the central bankers belief that the United States can maintain its position. The net immediate effect, then, has been nil. The market is a little stronger this week because the number of offerings between now and January 1 will be small. What will happen in the future is still a great subject for speculation. With the exception of France, none of the non-communist nations want to go back to the gold standard because it would seriously hamper world trade. Because of this, it is very doubtful the United States will raise the price on gold. That will mean that the short-term interest rate will have to remain high to keep United States funds from being invested abroad. Thus, the long rates will remain high also. A drastic cut in United States spending with a substantial increase in taxes would reduce the money supply and reduce interest rates and reduce inflation. It would also strengthen the position of the dollar in World markets and thereby stabilize the rest of the World's financial position. I still do not believe we will see any substantial decrease in rates until the present war is over.

With the rise in interest rates, the discount on mortgage paper has risen to 7 per cent. This has dried up the mortgage market. What we are purchasing now was committed when the rates were 4 and 5 per cent. If interest rates do not fall back substantially after a tax increase, I think the FHA rate will raise from 6 per cent to 6.5 per cent at least.

Since September we have made the following bond investments:

\$150,000	Standard Oil Debs	6.0%	@	par		Kalman & Co. -Piper, Jaffray
150,000	City Service Debs	6.5	@	99 $\frac{1}{4}$	6.20 yld.	Kalman & Co. - Halsey Stuart
100,000	U. S. Steel	4 5/8	@	83	6.83 "	Solomon Bros.

We have also purchased the following mortgage offerings:

\$132,250	Western Montana Bank	3 - 4%	discount
70,900	Streeter Brothers	3 - 4%	"
251,600	Guaranty Company	2 $\frac{1}{2}$ - 3%	"
107,500	Great Falls Nat'l Bank	3%	"
87,000	1st National Bank, Helena	2.5%	"
210,000	J. L. Cooper & Co.	3 - 4%	"
75,000	1st Nat'l Bank, Whitefish	4%	"
46,100	1st Nat'l Bank, Kalispell	4%	"

During September we also traded \$1,017,500 U. S. Treasury 3 $\frac{1}{2}$'s of 98 for an equal amount of corporate bonds. The idea was to trade as close to similar prices as possible. The 3 1/2 Treasuries sold at about 81 at that time (they are about 75 now) and 81 in the corporate market bought bonds with coupons at 4.5. The trade will increase our yield over \$11,000 a year for the next 30 years.

Minutes, Retirement Board Meeting
March 16, 1968

The meeting was called to order at 9:00 a.m. by the Chairman, Mr. Whitney. In attendance were members Mr. Gleason, Mr. Hayes and Mr. Mitchell. Also attending were the Actuary, Mr. Young and the Secretary, Mr. McKinny. The minutes of the December meeting, having been in the hands of the members prior to the meeting, were approved on a motion by Mr. Gleason and a second by Mr. Hayes.

The Secretary presented the work report and the investment report and reviewed the financial statement and the report of the NCTR Convention. They were ordered placed on file on a motion by Mr. Mitchell and a second by Mr. Hayes.

The following payrolls for the second quarter of 1968 in the approximate amounts were approved on a motion by Mr. Hayes and a second by Mr. Mitchell.

Retirement payroll	\$238,000	per month (approx.)
Office payroll	3,775	per month (approx.)

The Board reviewed the possibility of purchasing office space and tabled any action pending sale prices of buildings and land.

The Board then turned to the new business at hand and instructed the Secretary to secure the proper signatures on a mortgage servicing agreement with the Miners and Merchants Bank of Roundup on a motion by Mr. Hayes and a second by Mr. Gleason.

The Secretary then reviewed Dora Fleming's request for credit with the Extension Service in 1949-51. She had previously been with the Extension Service and had received credit toward retirement and later went to the public schools and back to the Extension Service and since 1951 back to the public schools. She wished to purchase the credit for 1949-51 by paying 5 per cent of the salary she earned at that time. Mr. Mitchell moved that permission be granted. Mr. Gleason seconded the motion which was approved.

The Board next had an interesting discussion on the advisability of crediting back the interest to a teacher's account after the teacher's withdrawn funds had been redeposited. After much discussion, Mr. Mitchell moved that in the absence of a specific request by a member, the problem be tabled until such a request had been made. Mr. Hayes seconded the motion which was approved.

The Secretary's request to have Mr. Schneider attend the Ohio Mortgage Bankers School at Ohio State was unanimously approved on a motion by Mr. Hayes and a second by Mr. Mitchell.

The following applications for survivorship benefits were approved on a motion by Mr. Mitchell and a second by Mr. Hayes:

1. LaVinia L. Besola
age 30
Benefit: \$61.95 + \$150
for minor children
Survivor of Everett L. Besola (Sanders)
age 40
PS: 1 yr. - MS: 11 yrs.
ASF: \$3,686.49 Average sal. \$7,740.00
2. Marie L. Bowen
age 62
Benefit: \$284.61
Survivor of Floyd Bowen (Blaine)
age 60
PS: 9 yrs. - MS: 30 $\frac{1}{2}$ yrs.
ASF: \$9,624.37 Average salary \$8,642.66
3. Eloise B. Holekamp
Benefit: \$149.38 + \$50
for minor child
Survivor of Emmet R. Holekamp (MSU)
age 46
PS: 3 yrs. - MS: 16 yrs.
ASF: \$6,007.57 - Average salary \$10,959.85

The following applications for retirement allowance were approved on a motion by Mr. Gleason and a second by Mr. Mitchell:

	county	age	PS	MS	average sal.	benefit	opt.
1. Erkkila, Jack	Lake	60	9	26	\$6,825.00	\$231.64	1
2. Fletcher, Nina D.	Glacier	67		14 $\frac{1}{2}$	4,715.67	69.94	1
3. Gallagher, M. E.	Ystone	69	17 $\frac{2}{3}$	30 $\frac{1}{2}$	12,250.00	416.52	5
4. Garver, Jeanette	Cascade, VR	64	11 $\frac{1}{2}$	13 $\frac{1}{2}$	4,608.33	122.37	1
5. Golde, Florence	Beaverhead	60		30	4,833.33	120.30	1
6. Kranz, Alice F.	Custer	65		14	5,008.33	63.04	1
7. Langbell, Treasure K.	Flathead, VR	60		10	3,133.33	28.57	1
8. Lutes, Mary	Gallatin	64	11	18 $\frac{1}{2}$	5,687.50	161.01	2
9. McFerran, David N.	Gallatin, VR	67	10	10 $\frac{1}{3}$	3,008.33	66.25	1
10. McLaughlin, Elda	Powell, VR	60	7	16	3,815.67	113.50	1
11. Miller, Ruth M.	Fergus, VR	60		12	3,366.67	34.29	1
12. Murphy, Frances M.	Big Horn	63		19	7,048.33	104.05	2
13. Patterson, Dora V.	Ravalli, VR	65	7	9	2,650.00	48.34	1
14. Roehm, Gladys H.	MSU	66		16 $\frac{1}{2}$	9,000.00	123.95	1
15. Solem, Mildred	Ystone	64	10	27 $\frac{1}{2}$	7,938.33	262.91	1
16. Hellman, Florence M.	Western, VR	61	9 1/9	5 2/3	1,807.33	42.44	1
17. Campbell, Hortense	Fergus, VR	61	4	12	5,590.00	87.85	1
18. Rasmussen, Myrtice	Ystone	66	4	26	7,733.33	207.58	1
19. Chubb, Fern A.	Msla, VR	60	5	14	3,693.33	69.63	1
20. Steen, Julian S.	Gallatin	60	8 $\frac{1}{3}$	18	4,978.00	133.66	1
21. Goodwin, Lucie O.	Cascade	60		28 1/9	7,950.00	178.20	1
22. Olson, Richard	Roosevelt	60	4	23	7,458.33	180.87	1

The following applications for disability allowance were approved on a motion by Mr. Hayes and a second by Mr. Mitchell:

	age	MS	average sal.	benefit
1. Ruth Kolar Graham (multiple sclerosis)	47	6	\$6,275.00	\$130.73
2. Doris Johnston, (arterial insufficiency both legs)	56	31 $\frac{1}{2}$	7,049.00	237.90
3. Ruth Stevens (severe auto accident)	51	10	4,345.00	90.52
4. Ernest Desonia (heart attack)	53	29 $\frac{1}{2}$	7,600.00	268.22
5. Ray Eggen (cancer)	55	30 $\frac{1}{2}$	9,680.00	172.91 Opt. #3

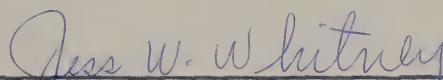
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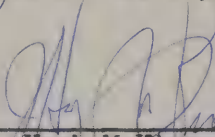
At this point, Mr. Gleason informed the Board that since his term was now expiring and he had served on the Board for 16 years that it was his intention to inform the Governor that he did not wish to be reappointed.

The Board then discussed the financial problems of today that are affecting fixed income programs and after a considerable discussion of the pros and cons of investing retirement funds in common stock, Mr. Mitchell moved that the Board go on record as favoring the amending of the investment law to permit the System to invest in equities of banks, insurance companies and companies listed on the New York Stock Exchange. Mr. Hayes seconded the motion which was unanimously approved.

The next meeting of the Board was set for 9:00 a.m., May 18 and at 11:45 the meeting adjourned on proper motion and second.



Jess W. Whitney, Chairman of the Board



J. Hugh McKinny, Executive Secretary

Executive Secretary's Report
March 16, 1968

I am pretty well frustrated by committees and boards. It takes some people a long time to make up their mind.

The request for approval by the Controller and his committee for our new accounting system has not received any final action. I met with them at their January and February meetings and now they have postponed their March meeting with no definite date set for action. From talking to members of the committee, I think they will approve with an attempt to pass the final decision to the legislature. If this turns out to be the decision, I will take our case to the Governor in an effort to get our program in action.

We secured an appraisal of the MEA building. It was done by Mr. Wayne Neil at a cost of \$500. The AAA has had their building appraised twice but has not set an asking price. Mr. Neil did one of the appraisals. I have heard that two appraisals were at \$55,000 and \$60,000. I feel they will ask about \$75,000. Our appraisal of the MEA building was \$103,000 and I am sure the MEA will ask twice the AAA.

Judge Adair owns a considerable amount of land at 6th and Sanders, one block from Roberts, the street that runs between the Capitol and the Mitchell Building. He is interested in selling but will make no decision until after his brother returns to town which will be another three weeks. It would appear that we could build a very fine office building, fully adaptable to our needs, for less than the cost of the MEA building and about equal to the cost of the AAA building remodeled, but the location is not as handy for the membership.

Work this past quarter has been heavy but we are running according to schedule. Posting on both teacher's payments and mortgages are up to date. The interest is about three-fourths ready to post on June 30. We are nearing the end of the rush of membership forms following our second request. We sent out about 750 requests for membership and beneficiary forms that weren't returned in the fall.

We are also going to make an effort to locate those teachers over age sixty entitled to retirement benefits who have not applied. There may be too many other retirement plans that cause our members to forget to apply.

Travel continues to be heavy. Since the last meeting I have spoken in Butte, Havre, Missoula, Stanford and Power and Tom spoke in Shelby and to two classes of seniors at Eastern. I have commitments to go to Kalispell, Opheim, Fairview and MSU in March and April.

Investment Report
March 14, 1968

The pressure on the dollar, along with pressure on sterling, the Canadian dollar and the Japanese yen continued through the past quarter. Gold buying this past week on foreign markets was at an all time high. The solution, of course, is to cool the economy in the threatened countries and warm up the economy in the other countries. But no help will be coming from France so reduced spending or a tax increase or both is the order of the day in this country. The Federal Reserve Bank is beginning its most vigorous defense of the dollar in history and the clamp-down on credit has begun. The 1st of March saw net borrowed reserves reach \$151 million in the commercial banks. The Federal fund rate has been raised to 5 1/8 per cent; the discount rate the Federal Reserve Bank charges banks borrowing from it has been raised to 5 per cent--a high since 1929. The raising of the city bank's rates to prime borrowers will follow immediately. The interest rate which fell in January and February to near 6 per cent has now risen again to 6.5 per cent and will again rise sharply this coming week.

The mortgage market nationally is being hurt and there is a possibility the prime FHA rate will be increased. A strange thing has happened in a few big spots throughout the nation--savings and loans have ample funds and are underbidding the market to get their money to work. This is also true in Missoula and billings where an FHA loan can be secured at from 3 to 5 points and a conventional mortgage as low as 6.5. We, of course, have to have 7 points on FHA's to equate with the corporate market, so we are out of the mortgage market. Purchases we have made this past quarter were on commitments last fall at 4.5 per cent discount.

Here is where our last quarter funds were invested:

Mortgages:

Union Bank & Trust Co.	\$113,000	@	96
Exchange State Bank	56,000	@	94
Bank of Baker	46,000	@	94
J. L. Cooper & Co.	260,000 ⁰	@	95½
Guaranty Company	126,900	@	96
Streeter Brothers	163,000	@	95
Western Montana Bank	38,000	@	96
First National Bank, Kalispell	54,000	@	96

Corporate Bonds:

International Harvester	100,000	6¼	@ par	W. E. Hutton & Co.
Central Soya Company	325,000	6 3/8	@ 99 (6.45 yld)	Halsey Stuart;
				Piper, Jaffray & Hopwood; Goldman, Sachs; Blyth & Co.
Nrthn Pacific RR Equip	200,000	6 3/4	@ par	
Trailer Train Equip	100,000	7 1/8	@ par	
Inland Steel	50,000	6½	@ par	Halsey Stuart
Seaboard Coastline Equip	250,000	6½	@ par	Dick & Merrill Smith

Resolution #46

RESOLUTION OF APPRECIATION

WHEREAS, the Honorable Mr. J. L. Gleason, a member of the Board of The Teachers' Retirement System, State of Montana has served diligently and faithfully as a Board member from July 1, 1953 to July 1, 1968 and as Chairman of the Board from July 1, 1961 to July 1, 1965, and

WHEREAS, it is the sincere and considered opinion and judgment of the members of the Board of The Teachers' Retirement System and its administrative staff, who have served with him during his years of membership, and the many members of The Teachers' Retirement System, that he has administered his office with ability, understanding, great judgment, justice and most commendable success, and

WHEREAS, he has contributed willingly and generously of his valuable time, talents, experience and counsel in the equitable administration of The Teachers' Retirement System and has exerted every effort in providing an equitable enforcement and interpretation of The Teachers' retirement law, now therefore

BE IT HEREBY RESOLVED, that his fellow members of the Board, its administrative staff, and the members of The Teachers' Retirement System of Montana extend and express their sincere and heartfelt appreciation to Mr. J. L. Gleason for his exemplary administration, splendid leadership and outstanding accomplishments during the years he has served as Board member and as Chairman.

Chairman

Member

Member

Member

ATTEST:

Executive Secretary

Increases in benefits from HB 167

	Am't of check	Increase		Am't of chk	Increase
W. J. Abbott	\$44.47	1.84	Olivia Forcum	\$75.00	16.88
Clara L. Adams	47.15	8.66	Mary B. Franklin	75.00	25.00
Mary Alexander	67.50	17.33	Lucy E. Fritz	62.14	13.68
Carrie Allderdice	75.00	24.92	Maude Fritz	75.00	15.84
Ethan E. Allen	65.36	15.32	Minnie S. Fullan	75.00	25.00
Jennie J. Anderson	68.58	24.26	Edith R. Furman	53.58	11.75
Bernice M. Andrew	51.43	11.32	Nettie S. Gaghagen	67.14	17.14
Retta Armstrong	69.28	1.94	Mary Gamber	55.72	12.39
Nellie E. Aumock	60.00	8.07	George Gasahl	71.36	21.36
Louise Bernier	65.36	15.28	Fidelia L. Geiger	75.00	6.25
Marie A. Bowman	75.00	7.32	Robert H. Green	46.07	31.41
Johanna R. Bradford	49.29	10.87	Catherine Griffin	75.00	5.53
Elsie M. Brown	62.15	13.77	Asgerd Haaland	75.00	25.00
Gladys I. Brown	75.00	21.51	Maude E. Halbert	64.29	14.28
Martha C. Brown	66.43	16.28	Myra Harris	55.18	12.12
Robert H. Brown	75.00	25.00	Mary P. Hatfield	53.58	1.78
Mary F. Bull	75.00	25.00	Caroline Hazzard	24.64	5.86
Mary D. Bundy	75.00	25.00	Ann R. Henton	45.00	9.49
Reuben R. Anderson	75.00	2.01	Marie Herrick	45.00	10.00
Zula Carey	38.30	4.87	B. A. Hickey	75.00	25.00
Alice Carlberg	75.00	25.00	Zoa Orr Hicks	75.00	25.00
Harriet Carver	55.72	12.19	Elsie Hill	75.00	25.00
Martha B. Cavin	75.00	6.56	Helen C. Holdahl	60.22	13.32
Maude M. Chase	75.00	7.65	Mabel G. Holgren	75.00	1.34
Maggie Connolly	45.71	20.88	Arthur C. Harsley	45.65	1.73
Lottie D. Cosby	75.00	25.00	Maud C. Hume	75.00	25.00
Mary Ann Craig	75.00	25.00	Jessica Hunt	64.29	11.76
Emma Crane	75.00	25.00	Mrs. J. R. Inman	75.00	25.00
Roxie Cunningham	75.00	25.00	Mary L. Innes	75.00	24.99
Theeta Davis	75.00	1.29	Dacia W. Irby	75.00	25.00
Susie O. Dean	75.00	25.00	Mercy Jackson	75.00	13.13
Vora B. Deland	75.00	24.93	Ina Jennings	60.00	13.16
Isa M. Denson	58.08	12.28	Elizabeth Johnson	75.00	11.62
Irene Dibble	75.00	25.00	Ella G. Johnston	75.00	25.00
Ethel M. Deitrich	55.72	2.11	R. H. Johnston	75.00	2.02
Judith E. Dixon	35.36	6.36	Josie Jones	75.00	25.00
Florence Dorr	49.29	13.60	Pearl Kellams	75.00	25.00
Emma R. Dorris	75.00	25.00	Mary Kelly	75.00	25.00
Margaret Dorweiler	55.72	8.02	Frances C. Kessler	61.61	13.61
Ann V. Dunn	75.00	25.00	Sarah Kittleson	63.22	13.96
Katherine L. Dunn	75.00	25.00	Alice D. Knapp	51.43	11.43
Nora B. Ebersole	75.00	9.46	Rayes L. Knobloch	72.86	1.84
Kathrene Edie	75.00	25.00	Regina Kohten	52.50	11.51
Minnie E. Egbert	70.72	20.69	Carrie Larson	75.00	15.30
Ella Finkbeiner	57.86	7.77	Oliver W. Lasator	67.50	1.18
Clara Folsom	64.29	10.22	Mary P. Lee	56.43	12.72
Flora Fontaine	74.47	12.59	Mary F. Leinenweber	74.27	17.38

Increase in benefits (continued)

	Am't of chk.	Increase		Am't of chk.	Increase
Sadie Lillard	\$75.00	15.13	Edna C. Purves	\$65.70	\$14.17
Jessie Limbaugh	75.00	25.00	W. J. Rankin	75.00	25.00
Edwin K. Lloyd	57.86	2.86	Lucille M. Reynolds	75.00	25.00
Carrie E. Lupton	75.00	24.94	Elnora J. Robbin	51.43	8.22
Ethel McCleary	75.00	24.88	Anna Robinson	64.72	14.66
Cora McCormick	75.00	25.00	Bessie Robinson	65.36	15.25
Edith McCourt	75.00	3.81	W. Irvan Robinson	75.00	25.00
Jean McCrea	75.00	25.00	Mildred Rogers	56.25	12.31
Nell McDermott	75.00	25.00	Adelene Rominger	38.57	6.73
J. D. McDowell	32.15	7.07	Ambrose A. Ryan	41.42	4.94
Jane McGinnis	75.00	25.00	Sara Ryan	75.00	24.93
Sabel McGrade	75.00	18.51	Jessie Sanderson	62.14	5.37
Nellie R. McKee	75.00	24.86	Isabella Sattler	46.07	10.05
Cora McKinster	75.00	25.00	Mildred Schlosser	58.93	12.99
Mrs. B. D. McLeod	75.00	25.00	Florence Stannon	72.00	3.28
Mary L. McLeod	75.00	24.87	Rachel Shannon	45.43	5.29
Frederick McVay	57.00	11.31	Winifred Shannon	53.58	15.39
Addie Maltby	75.00	.90	J. F. Sharp	75.00	25.00
Margaret Malone	75.00	25.00	Nellie Shea	75.00	25.00
Lucretia Masterson	72.13	1.39	Marialys Sheldon	28.93	10.48
Elizabeth Matheson	60.00	13.30	Arrabelle Shepard	68.57	1.98
Eugenia Maynard	33.22	7.21	Angela Smith	75.00	25.00
Elizabeth Melton	75.00	25.00	Nora Smock	72.86	22.64
Daisy E. Milspaugh	75.00	2.75	Ida M. Southwick	75.00	12.43
Aimee H. Mingay	75.00	25.00	Josephine Spaulding	75.00	25.00
John J. Monroe	42.86	1.58	Nettie Stahr	75.00	25.00
Lulu M. Moore	57.86	12.80	Anna B. Steingruber	54.22	22.88
Lillian E. Morgan	43.50	9.57	Lois Stevenson	75.00	25.00
Lenora Munson	49.93	4.55	Emma Stoetzel	75.00	23.08
Irene Murphy	75.00	14.09	Charlotte Straub	75.00	25.00
Katherine Murray	75.00	23.52	Jeanne H. Strauch	60.02	12.00
Mabel Musser	75.00	14.15	Loretta L. Sullivan	75.00	25.00
Joanna S. Nuly	66.43	16.25	Mildred L. Sutton	75.00	25.00
Margaret E. Oberlande	54.22	2.69	Amanda O. Swift	75.00	25.00
Maude O'Hara	75.00	25.00	Flossie Temple	69.65	8.45
Effie C. Oldsen	71.79	11.88	W. Templeton	75.00	25.00
Margaret O'Malley	67.50	17.38	Amelia Tessmer	75.00	25.00
Amilla Osborne	75.00	5.69	C. D. Thaxton	75.00	25.00
Gertrude Oswald	66.43	6.01	Ella Turpin	68.58	18.57
Ella M. Parker	75.00	25.00	Margaret Tway	75.00	25.00
Stella Peck	54.65	2.77	Gertrude Verbeck	75.00	13.17
Elizabeth Perkins	49.29	10.82	Alva J. Vinton	43.93	8.83
Ida Perry	64.29	11.20	Opal W. Vandewark	73.93	23.76
Louise F. Peterson	47.68	10.61	Lida Walters	67.50	17.43
Nettie. L. Peterson	75.00	17.65	Cornelia Walvoord	75.00	25.00
Mary E. Pettigrew	75.00	11.54	Flora B. Weisberg	52.85	4.33
Cassandra Phelps	75.00	25.00	Mary Welch	60.19	10.03
Clarence Pollard	33.22	4.53	H. B. Westergaard	48.22	2.94
Edith Porter	60.00	13.14	Nellie White	63.22	14.06
Jennie S. Porter	75.00	25.00	Eulalie Winter	58.29	22.32
Minnie Porterfield	75.00	.16	Minnie K. Wolenetz	60.65	13.28

Increase in benefits (continued)

Am't of chk. Increase

Mary Zaegar	\$64.29	\$.45
Nancy York	75.00	.75
Marie Afflerbach	61.61	1.14
Jessie B. Lynn	57.86	1.80
Ethel Broderson	45.00	10.00
Frances E. Cone	75.00	27.00
Marie E. Conley	63.22	14.15
Zell Conolly	52.50	11.67
Mary P. Criswell	34.29	7.62
Belle Donaghue	70.72	20.72
Helen Edgerton	48.22	.06
Elizabeth Emery	75.00	16.88
Evelyn Ferguson	39.65	1.62
Alpha Fitzpatrick	75.00	25.00
Martha Gruel	45.00	10.00
Edith M. Hanson	66.43	16.43
Ola T. Harmon	75.00	25.00
George Harris	52.85	.19
Mary Hyland	64.29	14.29
Maybelle Kregness	69.65	19.65
Mary F. McGlynn	46.07	3.80
Nellie Mulholland	60.00	2.97
Hazel A. Murray	38.57	.86
Viola Otrin	34.50	7.65
Lillian Powers	47.15	2.04
Anna Raa	47.15	1.43
Mamie M. Riggs	62.79	13.90
Nola M. Squire	47.15	10.48
Alice H. Wilson	31.42	6.98
Fred Woodward	66.43	<u>16.43</u>
		3,368.50

As this was the last meeting of the school year, the terms of the Chairman and Vice-Chairman of the Board expired. Mr. Hays moved that Mr. Savage be re-elected as Chairman. Mr. Gleason seconded the motion. The motion was unanimous with Mr. Savage abstaining. Mr. Hayes then moved that Miss Miller be elected Vice-Chairman. Mr. Gleason seconded the motion which was unanimously approved.

The next Board meeting was set for 10:00 a.m., Saturday, September 12, 1959.

The meeting adjourned on proper motion and second at 12:25.

Chairman, John L. Savage

Executive Secretary, J. Hugh McKinny

RESOLUTION NO. 34

BE IT RESOLVED that the interest rate of three and one-half per cent ($3\frac{1}{2}\%$) be allowed on all funds of The Teachers' Retirement System and that the Actuary be instructed to use this rate of interest together with the previous mortality and disability and withdrawal assumptions to determine the amounts of the reserves for the various fields.

John L. Savage

Harriet E. Miller

George Hayes

J. L. Gleason

Christine Jasper

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, at
 Washington, D. C., on the subject of the reservation land
 in the State of Alaska.

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